



File

Consolidated Gold Fields
Limited

82nd ANNUAL REPORT
1969

Consolidated Gold Fields Limited

(INCORPORATED IN THE UNITED KINGDOM)

ANNUAL REPORT - 1969

Contents

	<i>Page</i>
Notice of Meeting	2-3
Directors	4
Overseas Offices	5
Report of the Directors	6-10
Salient Features from the Accounts	11
Accounts	12-23
Group Operations	24-39
Principal Subsidiary Companies and Group Interests	40-42
Turnover and Profits	43
Additional Statistical Information.	44-45
Ten Year Financial Summary	46-47
Financial Calendar	48

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Consolidated Gold Fields Limited will be held at The Chartered Insurance Institute, 20 Aldermanbury, London, E.C.2, on Tuesday, the 18th day of November, 1969, at 11.30 a.m., to receive the report of the Directors and the Accounts for the year ended 30th June, 1969, and the report of the Auditors thereon, to determine the remuneration of the Auditors, and:—

As ordinary business to consider and, if thought fit, to resolve:—

1. That a final dividend of 10½d. per share, less tax, be declared on the Ordinary Shares.
2. That the following be re-elected Directors of the Company:—
 - (a) Major-General J. H. S. Bowring, C.B., O.B.E., M.C.
 - (b) The Rt. Hon. the Viscount Caldecote, D.S.C.
 - (c) Mr. J. B. Davis.
 - (d) Mr. R. A. Hope.
 - (e) Mr. J. R. A. M. Storar.
 - (f) Mr. R. L. Whiting.
 - (g) Sir Charles Denman, Bart., M.C.
 - (h) Sir George Harvie-Watt, Bart., T.D., D.L., Q.C.
 - (i) Mr. A. Louw.
 - (j) Mr. J. B. Massy-Greene.

As special business, to consider and, if thought fit, pass the following Resolution which will be proposed as a Special Resolution:—

3. That the Articles of Association of the Company be amended as follows:—
 - (i) By deleting Article 13 and substituting therefor the following Article, viz.:—

“13. Every certificate of title to shares (other than shares on a branch register or register of members to be kept pursuant to Article 141 hereof) or to debentures or representing any other form of security (except allotment letters) shall be issued under the seal of the Company but no such certificate need be signed or countersigned provided that such certificates shall have been approved for sealing by the Company’s Auditors, Transfer Auditors, Bankers or Transfer Agents. Every certificate of title shall specify the number of shares (and the amount paid thereon) or nominal amount of debentures or other form of security in respect of which it is issued.”
 - (ii) By inserting in Article 73 after the words “the Office” in line 4 thereof the following words, viz.:—

“or at such other place within the United Kingdom as may be specified in the notice convening the meeting or in the notes attached thereto”.

By Order of the Board,
J. R. STEWARDSON,
Secretary.

49 MOORGATE, LONDON, E.C.2.
24th October, 1969.

NOTES

Holders of Ordinary Shares, who alone are entitled to attend and vote at the Meeting, may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a Member of the Company.

For the convenience of Ordinary Shareholders who may be unable to attend the Meeting, a form of proxy is enclosed which should be completed and returned so as to reach the Company not less than forty-eight hours before the time fixed for the Meeting. The fact that Ordinary Shareholders may have completed forms of proxy will not prevent them from attending and voting in person should they afterwards decide to do so.

Holders of Ordinary Share Warrants to Bearer who wish to be present or represented at the Meeting may obtain the necessary information regarding the formalities to be complied with and forms of proxy from the Registered Office of the Company.

The following will be available for inspection at the Registered Office of the Company during usual business hours on any weekday (Saturdays excluded) and at The Chartered Insurance Institute, 20 Aldermanbury, London, E.C.2, on 18th November, 1969, from 11.15 a.m. until the conclusion of the Annual General Meeting:—

- (i) the Register of Directors' Interests;
 - (ii) copies of contracts of service between the Directors and the Company or any of its subsidiaries.
-

REGISTERED OFFICE

49 Moorgate, London, E.C.2.

REGISTRAR

Lloyds Bank Limited, Registrar's Department,
The Causeway, Goring-by-Sea, Worthing, Sussex.

Directors

J. D. McCALL

Chairman

R. A. HOPE

G. J. MORTIMER, M.B.E.

M. E. RICH

Deputy Chairmen

Major-General J. H. S. BOWRING, C.B., O.B.E., M.C.

W. J. BUSSCHAU

The Rt. Hon. the VISCOUNT CALDECOTE, D.S.C.

J. B. DAVIS

SIR CHARLES DENMAN, BART., M.C.

The Rt. Hon. LORD ERROLL OF HALE, P.C.

SIR GEORGE HARVIE-WATT, BART., T.D., D.L., Q.C.

A. LOUW

H. A. MACKAY

M. MACLACHLAN

J. B. MASSY-GREENE

W. MASON SMITH

SIR RICHARD SNEDDEN, C.V.O., C.B.E.

J. R. A. M. STORAR

R. L. WHITING

A. R. O. WILLIAMS, O.B.E.

R. A. YOUNG

HONORARY PRESIDENT

ROBERT ANNAN

SECRETARY

J. R. STEWARDSON

Group Offices Overseas

AUSTRALIA

Consolidated Gold Fields Australia Limited

Gold Fields House, Sydney Cove, Sydney

Chairman: J. B. Massy-Greene

CANADA

Newconex Holdings Limited

Toronto-Dominion Centre, Toronto

President: W. A. Robinson, D.S.O.

SOUTH AFRICA

Gold Fields of South Africa Limited

75 Fox Street, Johannesburg

Chairman: A. Louw

UNITED STATES OF AMERICA

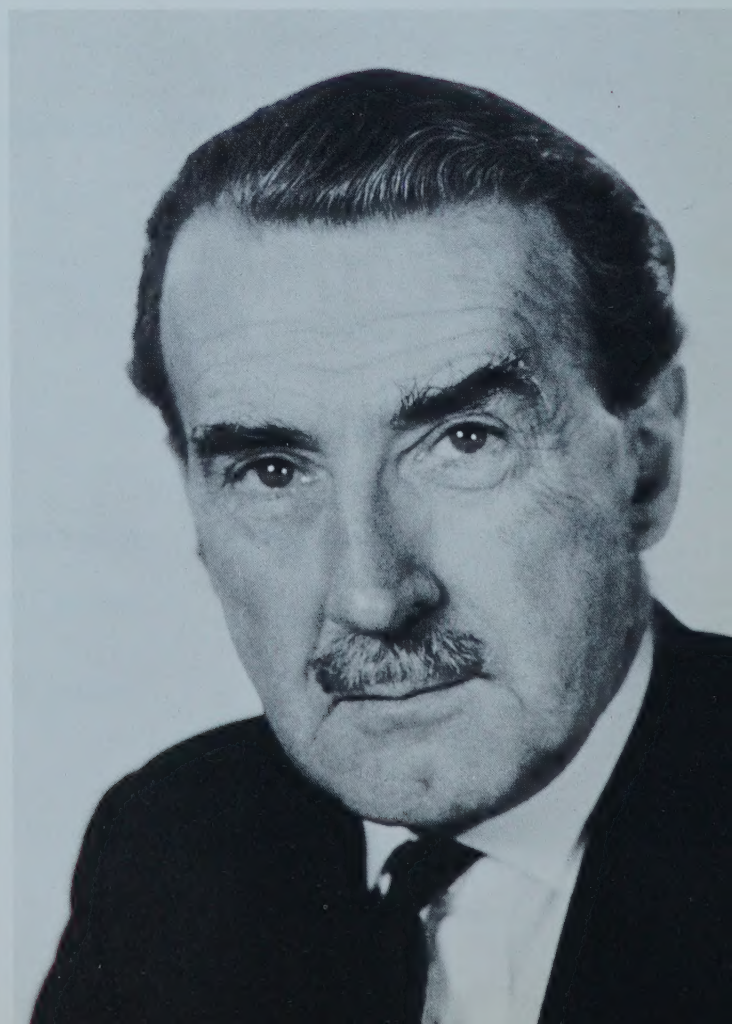
Gold Fields American Corporation

Bankers Trust Building, 280 Park Avenue, New York

President: J. H. Nicholls



Sir George Harvie-Watt, Bart., T.D., D.L., Q.C., retired as Chairman on 30th September, 1969. He has served as a Director since 1944, was appointed managing director in 1951, Deputy Chairman in 1954 and Chairman in 1960. He has agreed to remain on the Board.



Mr. J. D. McCall joined the Gold Fields Group in 1930. His first appointments were with mining companies in South and West Africa. In 1939 he joined H.M. Forces and was commissioned in the Gordon Highlanders. On demobilisation he rejoined the Group and was made an executive director of the parent company in 1960. In 1968 he was appointed joint Deputy Chairman, becoming Chairman on 1st October, 1969.

Report of the Directors

The Directors present their Report and the audited accounts for the year ended 30th June, 1969.

The Group Profit and Loss Account, the Group Balance Sheet and the parent company's Balance Sheet are shown on pages 12 to 17, salient features from the accounts are set out on page 11, and an analysis of the Group's turnover and profits appears on page 43. A summary of the Group's financial results for the past 10 years is on pages 46 and 47.

GROUP PROFIT AND LOSS ACCOUNT

Group revenue for the year amounted to £31.6 million compared with £22.6 million last year. The sources from which it arose are shown in the tabulation which appears on page 45.

A substantially increased profit of £8.0 million on realisation of investments, compared with £4.7 million in the previous year, was one of the reasons for the improved result. Once again a major share of this profit came from Australian and North American stocks. The sale of one North American investment alone realised a profit of £1.7 million and an Australian investment realised a profit of £969,000.

The net revenue from mining and quarrying companies increased by £3.9 million to £8.3 million. The most significant factor in this increase was a turn-round of £1.3 million in the results of the Renison tin mine, in Tasmania. Mount Goldsworthy, the Western Australian iron ore mine in which the Group has a one-third interest, increased its contribution by £1.0 million. Other major factors were significantly improved figures from the Mount Lyell copper mine and the inclusion, for the first time, of profits from the Amalgamated Roadstone group.

After deducting expenses and the interest on debentures and loans, the profit of the Group before taxation was £23.3 million compared with the previous year's figure of £16.3 million.

The higher charge for taxation at £8.6 million, compared with £5.0 million last year, largely reflects the rise in profits. Due to the non-recurrence of favourable tax adjustments and to changes in tax rates in Australia and the United Kingdom, there was an increase in the effective tax rate from 31 per cent. to 37 per cent.

The net profit attributable to the shareholders of the Company, after deducting taxation and the interests of outside shareholders, increased by £2.0 million to £11.0 million.

The sum of £5.7 million has been transferred to reserves and £5.8 million is required to meet the cost of dividends. The balance of unappropriated profits carried forward is £1.7 million.

GROUP BALANCE SHEET

Authorised Capital

On 19th November, 1968, the Authorised Capital was increased to £25,000,000 by the creation of 8,000,000 Ordinary Shares of 5s. each.

On 31st December, 1968, First and Second Preference Shareholders were offered Unsecured Loan Stock in exchange for their holdings. As a result the combined Preference Capital was reduced from £3,000,000 to £1,143,528. Upon the cancellation of 1,856,472 Preference Shares of £1 each the Authorised Capital was restored to its former level by the creation of 7,425,888 Ordinary Shares of 5s. each.

Capital Employed

During the year the issued capital of the Company increased by 8,761,279 Ordinary Shares. Of these, 8,061,808 shares represented part of the consideration for the acquisition of the ordinary share capital of Amalgamated Roadstone Corporation Limited. The acquisition of a number of privately owned companies in the quarrying, sand and gravel fields absorbed the balance of 699,471 shares.

The reserves of the Group not available for distribution increased by £2.7 million to £34.4 million.

An amount of £5.7 million was transferred to Investment and Exploration Reserve. The amount charged against this Reserve in respect of adjustments in the value of investments in non-subsidary companies and of exploration projects was £2.5 million. The opportunity was taken to write down the value of the Group investment in Greenwoods (St. Ives) Limited by £3.4 million when that company was absorbed by Amalgamated Roadstone. As a result the Reserve decreased to £4.4 million.

Total reserves arising from profit retentions at 30th June, 1969, were £19.5 million.

Loan capital of the Group amounted to £54.3 million having risen by £18.2 million during the year. The borrowings of newly acquired subsidiaries represented £5.1 million, and £3.2 million was attributable to net additional borrowings by other Group companies. Also included in this increase is £6.0 million of Unsecured Loan Stock which was issued by the Company as part consideration for the acquisition of the ordinary share capital of Amalgamated Roadstone and further unsecured loan stock amounting to £3.9 million which was issued in connection with Schemes for the conversion of Preference Shares of the Company and of Amalgamated Roadstone.

The increase of £4.5 million in the interest of outside shareholders in the Capital and Reserves of subsidiary companies arose from rights issues and retention of profits by partly-owned subsidiaries.

Consequent upon these changes the total capital employed by the Group increased to £158.5 million at 30th June, 1969, compared with £133.5 million at the end of the previous year.

Assets

During the year fixed assets, before depreciation, rose by £35.8 million to £114.0 million. Companies joining the Group, particularly Amalgamated Roadstone, contributed £29.1 million of the increase and net capital expenditure by Group companies accounted for most of the balance of £6.7 million.

The nature of the Group's activities is such that no realistic assessment can be made of the market value of property held for mining purposes. Estimates have been made in respect of the Group's other properties but the excess of their market value over book value is not regarded as significant in relation to the total value of Group assets.

Investments are included at or under cost, but in no case above Stock Exchange values. They amounted to £65.6 million in total compared with £54.8 million in 1968. The increase of £10.8 million relates mainly to additional investment in quoted shares. At 30th June, 1969, the Stock Exchange value of the quoted portfolio was £169 million compared with £197 million last year. This decrease reflects the general decline in share prices on world markets since the beginning of the calendar year.

The excess of current assets over current liabilities amounted to £27.8 million, a decrease of £3.4 million compared with the previous year.

Group assets at 30th June, 1969, including Stock Exchange values for quoted investments, but excluding special export finance debtors, amounted to £318 million. The percentage distribution of these assets in various areas of the world is shown in the tabulation which appears on page 45.

INTERESTS

The Company's principal activities cover mining finance, investment, exploration and development, the promotion of mining and industrial companies and the management and administration of subsidiary and associated companies.

Comments on Group operations are given on page 24 and following pages. A list of the principal subsidiary companies, and of Group interests where the equity interest exceeds 10 per cent., showing their respective activities, appears on pages 40 and 41. Particulars of other Group interests are shown on page 42.

Additional information relating to Group turnover, employees, exports, subscriptions and donations and to Directors' interests is given on pages 43 to 45 which are to be regarded as part of this Report.

DIVIDENDS

The Directors recommend a final dividend of 10½d. per 5s. Ordinary Share. With the interim dividend of 7d. per share paid on 24th May, 1969, this makes a total of 1s. 5½d. for the year on the Ordinary Share Capital, compared with a total of 1s. 5d. per share paid last year. If the dividend is approved at the Annual General Meeting it will be paid on 28th November, 1969, to holders of Ordinary Shares registered in the books of the Company on 31st October, 1969, and to holders of Coupon No. 104 detached from Share Warrants to Bearer.

NEW ISSUE

As announced on 7th October, 1969, the Company proposes to raise approximately £15 million by means of a Rights Issue to the holders of Ordinary Shares on the basis of eleven new shares for every hundred Ordinary Shares held.

The Share Capital of the Company after this Issue will be as follows:

Authorised £	Share Capital	Issued £
679,393	7 per cent. First Cumulative Preference Shares of £1 each	679,393
464,135	7 per cent. Second Cumulative Preference Shares of £1 each	464,135
23,856,472	95,425,888 Ordinary Shares of 5s. each (86,185,236 issued)	21,546,309
<u>£25,000,000</u>		<u>£22,689,837</u>

The new shares will not rank for the final dividend now recommended.

ARTICLES OF ASSOCIATION

During the year Lloyds Bank Limited, Worthing, was appointed the Company's Registrar and it will be helpful to adopt the practice of issuing certificates of title without signature, but still under the Company's seal. In addition, it is proposed to vary the present restriction in the Articles of Association under which forms of proxy can be deposited only at the Registered Office. Accordingly, at the Annual General Meeting Shareholders will be asked to approve amendments to the appropriate clauses of the Articles of Association.

Particulars of the proposed amendments are set out in the Notice of Meeting on page 2.

CHAIRMAN

On 30th September, 1969, Sir George Harvie-Watt retired from the position of Chairman of the Board and from his executive appointments with the Company. Sir George joined the Board in 1944 and was appointed a Managing Director in 1951, Deputy Chairman in 1954 and Chairman in 1960. The period during which he was Chief Executive was marked by a tremendous worldwide expansion of the Group. The major successes achieved result from his leadership and foresight. His colleagues record their appreciation of his great services to Gold Fields and are glad to report that he has agreed to continue to serve as a Director of the Company.

Mr. J. D. McCall succeeds to the positions of Managing Director, Chief Executive and Chairman of the Board. Through appointments with mining companies in South and West Africa he has been associated with the Group since 1930. After the war he joined the London Office Staff and was subsequently appointed an Executive Director in January, 1960, and a Deputy Chairman in May, 1968. He has been closely associated with the very successful expansion of the Company's interests in Australia.

DIRECTORS

During the year the Board lost the services of one of its Deputy Chairmen as a result of the untimely death of Mr. G. G. Potier on 11th January, 1969. The Directors record their deep sympathy with his family and their appreciation of the wide contribution made by Mr. Potier to the Group's affairs since he joined the Board as a Managing Director in 1958.

Major-General J. H. S. Bowring, Mr. J. B. Davis, Mr. R. A. Hope, Mr. J. R. A. M. Storar and Mr. R. L. Whiting, who were appointed to the Board on 1st March, 1969, and The Rt. Hon. the Viscount Caldecote, who was appointed on 22nd May, 1969, retire in accordance with the Articles of Association and offer themselves for re-election. Mr. Hope was previously an executive Director of Gold Fields of South Africa Limited and Chairman of a number of Group companies, while Mr. Davis and Mr. Whiting were formerly Financial Managers on the London Staff of the Company.

On 1st March, 1969, Mr. R. A. Hope, Mr. G. J. Mortimer and Mr. M. E. Rich were appointed Deputy Chairmen.

Sir Charles Denman, Sir George Harvie-Watt, Mr. A. Louw and Mr. J. B. Massy-Greene retire by rotation and offer themselves for re-election.

STAFF

The Directors are pleased to express their recognition of the loyal services rendered by all officers and employees of the Group, both at home and overseas. They also welcome to the Group the staffs of the subsidiary companies which have been acquired during the year.

AUDITORS

Messrs. Turquand, Youngs & Co., Chartered Accountants, have signified their willingness to continue in office as Auditors.

By Order of the Board,
J. R. STEWARDSON,
Secretary.

49 MOORGATE,
LONDON, E.C.2.
24th October, 1969.

Salient Features

FROM THE ACCOUNTS OF THE GROUP

	1969	1968	1967
	£'000	£'000	£'000
Group Operating Profit	23,344	16,348	11,231
Taxation	8,678	5,020	3,621
Net Profit for the Year -after Tax and Minority Interests	11,086	9,033	6,238
Ordinary Dividends -cost to the Company	5,662	4,742	4,216
per 5s. 0d. share	1s. 5½d.	1s. 5d.	1s. 4½d.
Shareholders' Funds -Issued Capital and Reserves	74,500	72,200	48,600
Capital Employed -Shareholders' Funds, Debentures and Loans, Minority Interests	158,500	133,500	92,900
Fixed Assets	74,000	52,600	36,200
Net Current Assets	27,800	31,200	18,500
Quoted Investments			
at Book Value	57,100	46,700	35,800
at Stock Exchange Value	169,000	197,100	96,300

Group Profit and Loss Account

for the year ended 30th JUNE, 1969

1968 £'000	1968 £'000		£'000	£'000
7,778		Dividends and Interest on Investments (Note 1)		8,125
4,701		Profit on Realisation of Investments (Note 2)		8,007
		Net Revenue of:		
	2,062	Industrial and Commercial Companies	2,497	
6,511	<u>4,449</u>	Mining and Quarrying Companies	<u>8,384</u>	10,881
		Administration and Technical Fees received, Commission and		
3,671		Sundry Revenue		<u>4,646</u>
<u>22,661</u>				31,659
	4,301	Less: Administration, Technical and General Expenses	5,083	
	2,012	Interest payable on Debentures and Loans (Note 6)	<u>3,232</u>	<u>8,315</u>
6,313	<u>2,012</u>			
<u>16,348</u>		Profit before Taxation		<u>23,344</u>
5,020		Taxation (Note 7)		8,678
<u>11,328</u>		Net Profit for the Year		<u>14,666</u>
2,295		Proportion attributable to Outside Shareholders		3,580
		Net Profit for the Year attributable to the Shareholders of		<u></u>
9,033		Consolidated Gold Fields Limited, carried forward		11,086

CONSOLIDATED GOLD FIELDS LIMITED

AND SUBSIDIARY COMPANIES

1968 £'000	£'000		£'000	£'000
		Net Profit for the Year attributable to the Shareholders of		
9,033		Consolidated Gold Fields Limited, brought forward		11,086
2,371		Unappropriated Profits brought forward (Note 9)		2,272
<hr/>		Total available for Appropriation		<hr/> 13,358
		Appropriations:		
	2,650	Investment and Exploration Reserve	5,798	
	1,500	<i>General Reserve</i>	—	
4,150	<hr/>		<hr/>	5,798
<hr/>				<hr/> 7,560
7,254				
		Dividends paid and recommended by Consolidated Gold		
		Fields Limited—Gross:		
	210	Preference—7% per annum	145	
		Ordinary—interim dividend of 7d. per share (7d.)		
	1,843	(paid 24th May, 1969)	2,265	
		final dividend of 10½d. per share (10d.)		
	2,899	now recommended	3,397	
4,952	<hr/>		<hr/>	5,807
<hr/>		Unappropriated Profits carried forward		<hr/> 1,753
2,302	<hr/>			<hr/>

These Accounts should be read in conjunction with the notes on pages 18 to 22.

Group Balance Sheet 30th June, 1969

1968			£'000	£'000
£'000	£'000			
		Capital:		
		Issued and Fully Paid:		
	17,221	77,644,357 Ordinary Shares of 5s. 0d. each	19,411	
	1,750	679,393 7% First Cumulative Preference Shares of £1 each	679	
	1,250	464,135 7% Second Cumulative Preference Shares of £1 each	464	
20,221	<u> </u>		<u> </u>	20,554
		Reserves: (Note 10)		
	31,758	Not available for distribution	34,464	
		Profits retained:		
	13,361	General Reserve	13,316	
	4,572	Investment and Exploration Reserve	4,424	
	2,302	Unappropriated Profits	1,753	
51,993	<u> </u>		<u> </u>	53,957
72,214				<u> </u>
				74,511
36,115		Debentures and Loans: (Note 11)		54,398
		Outside Shareholders' Interest in Capital and Reserves of Subsidiary Companies		
25,188				29,690
		Deferred Liabilities and Provisions:		
	4,265	Taxation (Note 14)	8,002	
	714	Pensions	901	
	269	Purchase of Mining Properties	96	
5,248	<u> </u>		<u> </u>	8,999
		Current Liabilities:		
	22,518	Creditors	28,001	
		Taxation, including United Kingdom Corporation Tax payable		
	1,960	1st January, 1970	4,077	
	13,037	Bank Overdrafts	17,977	
	2,899	Proposed final Ordinary Dividend—gross	3,397	
40,414	<u> </u>		<u> </u>	53,452
179,179	<u> </u>			<u> </u>
				<u> </u>
				221,050

CONSOLIDATED GOLD FIELDS LIMITED

AND SUBSIDIARY COMPANIES

1967 £'000	1968 £'000		£'000	£'000
52,629		Fixed Assets: (Note 15)		74,090
		Investments: (Note 16)		
	46,782	Quoted	57,138	
		Stock Exchange value: £169,074,000 (£197,164,000)		
	6,730	Unquoted	7,483	
54,842	<u>1,330</u>	Properties and Ventures	<u>1,009</u>	65,630
		Current Assets:		
	15,565	Stocks and Work in Progress at lower of cost or realisable value	18,049	
	32,080	Debtors and Dividends Declared	44,706	
71,708	<u>24,063</u>	Cash at Bankers, Deposits and Short Term Loans	<u>18,575</u>	81,330
<u>179,179</u>				<u>221,050</u>

These Accounts should be read in conjunction with the notes on pages 18 to 22.

Balance Sheet 30th June, 1969

1968			£'000	£'000
£'000	£'000		£'000	£'000
Capital:				
Authorised:				
20,000	95,425,888 Ordinary Shares of 5s. 0d. each		23,857	
1,750	679,393 7% First Cumulative Preference Shares of £1 each		679	
1,250	464,135 7% Second Cumulative Preference Shares of £1 each		464	
<u>23,000</u>			<u>25,000</u>	
Issued and Fully Paid:				
17,221	77,644,357 Ordinary Shares of 5s. 0d. each		19,411	
1,750	679,393 7% First Cumulative Preference Shares of £1 each		679	
1,250	464,135 7% Second Cumulative Preference Shares of £1 each		464	
20,221			<u>20,554</u>	
Reserves: (Note 10)				
38,404	Share Premium		65,067	
Profits retained:				
3,250	General Reserve		3,250	
1,500	Investment and Exploration Reserve		1,327	
593	Unappropriated Profits		398	
43,747			<u>70,042</u>	
63,968				90,596
14,167	Debentures and Loans: (Note 11)			27,516
Provision:				
17	Pensions			12
Current Liabilities:				
1,572	Deposits by Associated Companies		1,584	
625	Creditors		767	
239	Taxation		252	
2,899	Proposed final Ordinary Dividend—gross		3,397	
5,335			<u>6,000</u>	
<u>83,487</u>				<u>124,124</u>

CONSOLIDATED GOLD FIELDS LIMITED

1968 £'000	£'000		£'000	£'000
350		Fixed Assets: (Note 15)		367
		Investments: (Note 16)		
	17,410	Quoted	22,726	
		Stock Exchange value: £96,880,000 (£127,075,000)		
	153	Unquoted	177	
	308	Properties and Ventures	40	
17,871	<u> </u>		<u> </u>	22,943
		Subsidiary Companies:		
	40,556	Shares at Cost less amounts written off	65,001	
	8,699	Advances less Provisions	29,152	
	<u>49,255</u>		<u>94,153</u>	
	129	Less: Amounts due	192	
49,126	<u> </u>		<u> </u>	93,961
		Current Assets:		
	1,995	Debtors and Dividends Declared	2,353	
	14,145	Cash at Bankers and Short Term Deposits	4,500	
16,140	<u> </u>		<u> </u>	6,853
<u>83,487</u>				<u>124,124</u>

J. D. McCALL }
R. A. HOPE }*Directors.*

These Accounts should be read in conjunction with the notes on pages 18 to 22.

Notes to the Accounts

1. DIVIDENDS AND INTEREST ON INVESTMENTS:

The Group income from this source was divided as between:

	1969	1968
	£'000	£'000
Quoted Investments	7,656	7,330
Unquoted Investments	469	448
	<u>8,125</u>	<u>7,778</u>

2. PROFIT ON REALISATION OF INVESTMENTS:

This item includes £208,000 (£556,000) recovered in respect of amounts previously written off which, under the provisions of the Companies Acts, 1948 and 1967, is regarded as drawn from Reserves.

3. HIRE OF PLANT AND MACHINERY:

The charge to Group revenue for the year was £404,000 (£257,000).

4. DIRECTORS' EMOLUMENTS:

The total emoluments of the Directors of the Parent Company comprised:

	1969	1968
	£'000	£'000
Fees, including £35,000 (£35,000) paid by subsidiary companies	55	51
Executive remuneration, including £101,000 (£68,000) paid by subsidiary companies	339	271
	<u>394</u>	<u>322</u>

The emoluments (other than pension contributions) of those Directors whose duties were wholly or mainly discharged in the United Kingdom, including those of the Chairman, Sir George Harvie-Watt, amounting to £61,135 (£60,810), were as indicated below:

	Number of Directors	
	1969	1968
Not exceeding £2,500	6	4
Between £2,500 and £5,000	3	2
" £7,500 " £10,000	2	—
" £10,000 " £12,500	2	1
" £12,500 " £15,000	2	2
" £15,000 " £17,500	1	—
" £17,500 " £20,000	—	1
" £22,500 " £25,000	1	—
" £27,500 " £30,000	—	1
" £60,000 " £62,500	1	1
	<u>18</u>	<u>12</u>

Pensions paid in respect of past executive services amounted to £9,000 (£8,000).

In addition, an increase in a past executive Director's pension was funded by the Company at a cost of £10,000 which, after deduction of Corporation Tax, has been charged against Provision for Pensions.

5. AUDITORS' REMUNERATION:

The Group charge for the year amounted to £133,000 (£99,000).

6. INTEREST PAYABLE:

The Group charge for the year comprised interest on:

	1969	1968
	£'000	£'000
(a) Debentures and Loans:		
Bank Loans	1,890	1,399
Other Debentures and Loans:		
repayable wholly within five years	261	89
other	1,081	524
Per Group Profit and Loss Account	<u>3,232</u>	<u>2,012</u>

(b) Bank Overdrafts:

Interest payable by the Group on bank overdrafts amounted to £1,205,000 (£1,007,000), including £853,000 (£684,000) by the Tennant group of companies.

7. TAXATION:

The Group charge comprised:

	1969	1968
	£'000	£'000
Overseas Taxation	6,576	4,509
United Kingdom Corporation Tax at 45% (42½%)	2,246	1,126
	<u>8,822</u>	<u>5,635</u>
Less: Overspill Relief	120	172
Provisions no longer required	<u>24</u>	<u>443</u>
	144	615
	<u>8,678</u>	<u>5,020</u>

The United Kingdom tax charge shown above is after deducting relief in respect of double taxation amounting to £2,894,000 (£2,667,000).

Additional taxation would arise in the event of:

(a) Distribution of profits from certain subsidiary companies abroad.

(b) Disposal of investments at the valuations stated.

The close company provisions of the Finance Act, 1965, do not apply to the Company.

8. PARENT COMPANY'S PROFIT:

Of the profit of £11,086,000 (£9,033,000) attributable to the Shareholders of Consolidated Gold Fields Limited £5,761,000 (£5,610,000) has been dealt with in the accounts of that Company.

9. GROUP UNAPPROPRIATED PROFITS BROUGHT FORWARD:

This item has been decreased by £30,000, resulting from variation in the interests in subsidiary companies.

10. RESERVES:

(a) Not available for distribution:

In arriving at the figure in the Group Balance Sheet, the excess of the cost of shares in subsidiary companies over the book value of their net assets at the dates of acquisition (less other non-distributable group reserves) has been deducted as shown in column (2) below:

	Share Premium of Parent Company	Deductions	As shown in Group Balance Sheet
	(1) £'000	(2) £'000	(3) £'000
Balance at 1st July, 1968	38,404	6,646	31,758
Add: Premium on shares issued during year, less expenses	26,663		
Excess of cost of shares in subsidiaries acquired during the year over the book value of their net assets at the dates of acquisition		27,474	
Adjustments arising from variations in shareholdings in subsidiaries		40	
Amounts written off and adjustments by subsidiaries		(3,557)	
Balance at 30th June, 1969	<u>65,067</u>	<u>30,603</u>	<u>34,464</u>

(b) Profits retained:

	General Reserve		Investment and Exploration Reserve	
	Parent	Group	Parent	Group
	£'000	£'000	£'000	£'000
Balance at 1st July, 1968	3,250	13,361	1,500	4,572
Add: Transfer from Profit and Loss Account	—	—	150	5,798
	<u>3,250</u>	<u>13,361</u>	<u>1,650</u>	<u>10,370</u>
Less: Written off investments, including subsidiary companies	—	—	409	5,802
Exploration expenditure written off/(recovered).	—	—	(86)	121
Transfer to outside shareholders' interest	—	45	—	23
Balance at 30th June, 1969	<u>3,250</u>	<u>13,316</u>	<u>1,327</u>	<u>4,424</u>

Under a loan agreement between the Company and a consortium of American banks, the aggregate amount of dividends payable by the Company in respect of any one financial period is limited to the net group profit available to the Shareholders for that period.

11. DEBENTURES AND LOANS:

	Parent		Group	
	1969 £'000	1968 £'000	1969 £'000	1968 £'000
Secured:				
7½% Guaranteed Debenture Stock 1980/85	—	—	4,484	4,619
6% Debenture Stock 1983/88	—	—	1,238	—
6¾% Debenture Stock 1985/90	—	—	1,263	—
7¼% Debenture Stock 1986/91	—	—	1,016	—
Bank Loans	2,083	—	2,837	362
Other Debentures and Loans:				
repayable either wholly or in part more than five years hence	—	—	1,030	867
repayable wholly within five years	—	—	194	166
	<u>2,083</u>	<u>—</u>	<u>12,062</u>	<u>6,014</u>
Unsecured:				
6½% Loan Stock 1987/92	1,712	—	1,712	—
8¼% Loan Stock 1988/93	8,698	—	8,698	—
7¾% Loan Stock 1999/2004	1,856	—	1,856	—
Bank Loans	12,000	13,000	27,648	26,218
Other Debentures and Loans:				
repayable either wholly or in part more than five years hence	—	—	790	2,421
repayable wholly within five years	1,167	1,167	1,632	1,462
	<u>27,516</u>	<u>14,167</u>	<u>54,398</u>	<u>36,115</u>
Territorial analysis:				
United Kingdom	18,849	5,500	29,493	13,698
North America	7,500	7,500	20,889	18,783
South Africa	1,167	1,167	3,470	3,022
Australasia	—	—	546	612
	<u>27,516</u>	<u>14,167</u>	<u>54,398</u>	<u>36,115</u>

The interest rates on "Other Debentures and Loans" included above, at 30th June, 1969, ranged from nil to 9% p.a. and repayments are due at varying dates up to 1991.

12. SECURED LIABILITIES:

The Group's liabilities are secured to the following extent:

	1969 £'000	1968 £'000
Debentures and Loans (see Note 11).	12,062	6,014
Purchase of Mining Properties	8	10
Creditors	553	906
Bank Overdrafts	14,108	12,087
	<u>26,731</u>	<u>19,017</u>

13. BORROWING POWERS:

Included in Secured Liabilities (see Note 12) are borrowings by the Tennant group of companies to provide export finance facilities for United Kingdom industry. To the extent that such borrowings are secured by a British Government Department they are not required to be taken into account when determining the limitation placed by the Company's Articles upon the borrowing powers of the Group. At 30th June, 1969, the total amount to be thus excluded was £11 million (£10 million).

14. DEFERRED LIABILITIES AND PROVISIONS:

The item "Taxation" includes £5,657,000 (£2,910,000) set aside by group companies for the purpose of avoiding undue fluctuations in taxation charges and £2,115,000 (£1,124,000) in respect of United Kingdom Corporation Tax payable 1st January, 1971.

15. FIXED ASSETS:

	Parent	Group			
	Total	Property	Mining Leases and Development	Plant and Machinery	Total
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation:					
At 1st July, 1968	573	21,102	7,804	49,267	78,173
New subsidiaries	—	4,946	1,194	23,057	29,197
Capital expenditure	55	1,913	1,369	7,387	10,669
Transferred from Properties and Ventures	—	112	599	—	711
	628	28,073	10,966	79,711	118,750
Less: Disposals	—	1,937	417	2,388	4,742
At 30th June, 1969	628	26,136	10,549	77,323	114,008
Depreciation:					
At 1st July, 1968	223	5,448	1,469	18,627	25,544
New subsidiaries	—	250	—	10,422	10,672
Charged to Profit and Loss Account	38	511	486	5,334	6,331
(1968: Group £4,288,000)					
	261	6,209	1,955	34,383	42,547
Less: On disposals	—	504	167	1,958	2,629
At 30th June, 1969	261	5,705	1,788	32,425	39,918
Net Balance Sheet Value	367	20,431	8,761	44,898	74,090

United Kingdom Investment Grants received have been applied against the cost of the fixed assets.
The Property of the Group comprised the following:

	1969	1968
	£'000	£'000
Cost or Valuation:		
Freehold	23,821	19,749
Leasehold—50 years or more unexpired	114	109
Leasehold—short	2,201	1,244
	26,136	21,102

At 30th June, 1969, the fixed assets of the Group, before deducting depreciation, were made up as follows:

	£'000	£'000
At cost		110,698
By reference to valuations in the following years:		
1937	222	
1956	436	
1958	377	
1963	2,275	
		3,310
		114,008

16. INVESTMENTS:

Quoted investments are included at or under cost but in no case above the Stock Exchange value at 30th June, 1969. The Directors have considered it desirable to retain the book value of certain holdings below both cost and Stock Exchange values. Unquoted investments, valued by the Directors at £663,000 (£858,000) in the case of the Parent Company and £8,881,000 (£8,255,000) for the Group, and Properties and Ventures are included at cost less amounts written off.

The book value of investments quoted outside the United Kingdom was:

Parent £2,482,000 (£1,236,000).
Group £18,909,000 (£16,614,000).

Of the surplus of the Stock Exchange value of the quoted investments over their book value as shown in the Group Balance Sheet, £5,766,000 (£5,114,000) is attributable to the outside shareholders in subsidiary companies.

Amounts written off investments by the Parent Company have been charged to Investment and Exploration Reserve. In the case of the Group investments, in addition to the amount charged to Group Investment and Exploration Reserve (see Note 10(b)), £375,000 (£186,000) has been charged to outside shareholders' interest.

17. CONTINGENT LIABILITIES:

	Parent		Group	
	1969 £'000	1968 £'000	1969 £'000	1968 £'000
Guarantees:				
in respect of borrowings by subsidiary companies	8,742	5,452	—	—
other	—	60	491	148
Obligations to associated company including those under contract, loan facilities, uncalled capital on investments, etc.	1,084	2,162	7,550	10,308
	<u>9,826</u>	<u>7,674</u>	<u>8,041</u>	<u>10,456</u>

18. CAPITAL COMMITMENTS:

	Parent		Group	
	1969 £'000	1968 £'000	1969 £'000	1968 £'000
Contracts for capital expenditure not provided for	—	55	3,368	2,489
Capital expenditure approved by the boards of the companies concerned, but for which contracts had not been placed	45	215	8,631	1,141
	<u>45</u>	<u>270</u>	<u>11,999</u>	<u>3,630</u>

19. CURRENCIES:

(a) United States and Canadian currencies have been converted into sterling at \$2.40 and \$2.595 to the £ respectively, with the exception of investment dollars, which have been converted at the premium rate ruling at 30th June, 1969.

(b) All other currencies have been converted at the rates ruling at 30th June, 1969.

Where applicable, the Stock Exchange value of the quoted investments takes into account the investment dollar premium.

20. ADDITIONAL INFORMATION:

Additional statutory information in compliance with the Companies Act, 1967, will be found as follows:

Principal subsidiary companies and principal interests of the Parent Company—included with the information on pages 40 and 41.

Analysis of Group Turnover and Profits—page 43.

Report of the Auditors

TO THE MEMBERS OF

CONSOLIDATED GOLD FIELDS LIMITED

In our opinion the accounts on pages 12 to 22 (incorporating the accounts of the Company's subsidiaries which have been audited by other firms) have been properly prepared in accordance with the provisions of the Companies Acts, 1948 and 1967, and give a true and fair view of the state of affairs of the Company at 30th June, 1969 and, so far as concerns members of the Company, of the state of affairs and the profit of the Group.

TURQUAND, YOUNGS & CO.,
Chartered Accountants.

4 COLEMAN STREET,
LONDON, E.C.2.
7th October, 1969.

Group Operations

SOUTHERN AFRICA





GOLD FIELDS OF SOUTH AFRICA LIMITED

The management of the Group interests in southern Africa is the responsibility of this wholly-owned mining finance company. It provides centralised administrative and technical services to a large number of mining, investment, finance and industrial companies, in all of which the Group has direct or indirect holdings.

Capital employed by Gold Fields of South Africa Limited and its subsidiaries at 30th June, 1969, amounted to £16.4 million. Consolidated profit, before tax, amounted to £3.5 million compared with £2.6 million for the previous year. The higher profit resulted mainly from taking advantage of the favourable opportunities for share dealing during the year and, to a lesser extent, from increased fee income.

The following paragraphs contain details of certain of the Group's interests in southern Africa, the major part of which are held directly by Consolidated Gold Fields Limited.

GROUP INTERESTS ON FAR WEST RAND

-  Mines administered by the Group
-  Mineral Rights owned by West Wits.
-  New prospecting areas
-  Non-Group mines



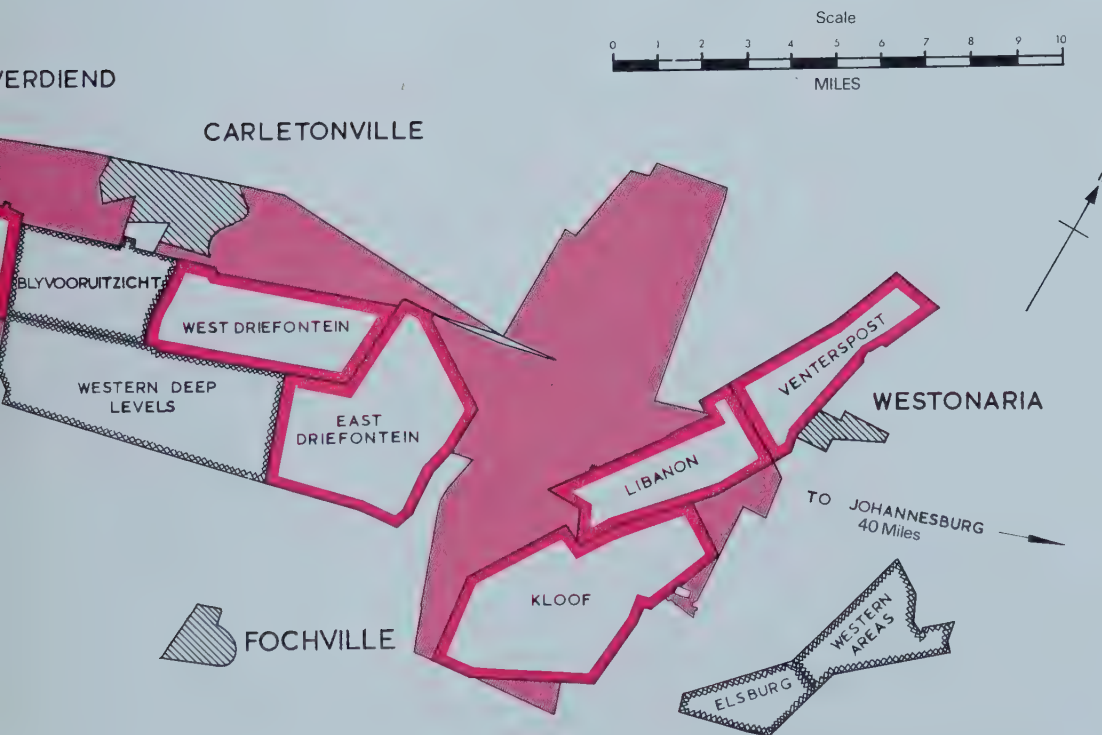
EXPLORATION

In December, 1967, West Witwatersrand Areas Limited commenced drilling in the Deelkraal area, south of the Doornfontein mine, to investigate the Ventersdorp Contact Reef. The programme was accelerated in the past year and a total of 32,752 feet was drilled in seven boreholes. By 30th June, 1969, four of these holes had intersected the reef and, although two disclosed low gold values, the other two disclosed encouraging values at mineable depths. The prospects for exploitation have been enhanced by these results, but it must be emphasised that more drilling remains to be done before the potentialities of the area can be assessed.

Options have also been acquired over a further area of nearly 70 square miles in the Potchefstroom district. A new company, Boskop Areas (West Wits) Limited, has been formed to explore this area and a drilling programme was due to start shortly after the end of the year. West Witwatersrand Areas Limited has a 60 per cent. interest and Gold Fields of South Africa Limited has a 25 per cent. interest in the new company.

The location of these two areas in relation to the mines of the Group on the Far West Rand is shown on the sketch map below.

Gold Fields of South Africa Limited is also continuing the investigation of a number of base metal and non-metallic mineral prospects in other parts of southern Africa.



GOLD

At 30th June, 1969, Gold Fields of South Africa Limited administered nine producing gold mines and one developing gold mine, East Driefontein, where shaft sinking and surface construction work is in progress.

Group gold production amounted to 5.0 million ounces, a decrease of 500,000 ounces compared with the previous year. This was due primarily to the serious effect on production at West Driefontein of the flooding of that mine which occurred in October, 1968. Revenue at West Driefontein in consequence fell by £7.4 million. Increased profits were realised by Doornfontein, Kloof, Libanon and Venterspost although unit operating costs on most mines were again higher. Despite these increases in profit and £3.6 million additional revenue which arose from sales of gold on the free market, the combined working profits from Group gold mines fell from £34.3 million to £30.2 million. Of this profit 93.3 per cent. was contributed by the Group's five producing mines on the West Wits line—Doornfontein, Kloof, Libanon, Venterspost and West Driefontein. Total distributions to Shareholders by Group administered gold mines amounted to £10.6 million. The reduction of £2.0 million compared with the previous year was almost entirely attributable to the flooding at West Driefontein.

West Driefontein Gold Mining Company Limited

The Group has a direct and indirect beneficial interest of 21 per cent. in this mine, which is the world's largest single producer of gold. On 26th October, 1968, operations were seriously affected by a major inrush of water, at a rate in excess of 80 million gallons per day, at No. 4 Shaft in the eastern section of the mine. This greatly exceeded the substantial spare capacity of the mine's pumping installations and the total flow of water into the mine rose to nearly 100 million gallons per day. All underground production ceased and, in time, the greater part of the working area of the mine was flooded. Milling was continued at a reduced rate, however, by drawing from surface stockpiles.

In order to seal off the inflow of water from the No. 4 Shaft area it was necessary to install massive concrete plugs in the drives connecting that area with the rest of the mine. This was successfully achieved by 18th November, 1968, in the face of tremendous difficulties. Great credit is due to the staffs of the mine, Gold Fields of South Africa Limited, The Cementation Company (Africa) Limited and other organisations who made this feat possible.

The western section of the mine has now been completely dewatered, and the restoration of some 85 per cent. of the former rate of underground production had been achieved by 30th June, 1969. Draining of the eastern section has also commenced and will entail a major dewatering operation. It is difficult to estimate when the inflow of water will have been reduced sufficiently to permit safe re-entry and the resumption of production at the No. 4 Shaft.

In spite of this major set-back 1.9 million ounces of gold were produced and working profit amounted to £15.6 million. Dividends paid to shareholders totalled £6.2 million which was a reduction of £1.8 million on the payments made in the previous year.

Construction of a new uranium plant has commenced, and this is due to come into production at the end of 1970, with a treatment capacity of 100,000 short tons of uranium-bearing residues per month. Also under construction is a sulphuric acid plant with a potential output of 300 short tons of acid per day. The estimated capital cost of these projects is £5.25 million. Acid will be supplied to the uranium industry and the company has been given first call on new orders for uranium oxide obtained by the Nuclear Fuels Corporation of South Africa.



Kloof Gold Mining Company Limited

This company, in which the Group has a direct and indirect beneficial interest of 27 per cent., completed its first full year of operations on 30th June, 1969.

During the year work on equipping the No. 1 Shaft was completed and a second milling unit to bring the rated plant capacity to 180,000 short tons per month was installed. Production of gold was 435,210 ounces from 896,000 short tons of ore milled, and by the end of the year the milling rate had reached 120,000 short tons per month. The total working profit amounted to £2.5 million compared with £1.1 million in the previous year.

East Driefontein Gold Mining Company Limited

The Group has a direct and indirect beneficial interest of 32 per cent. in this new developing mine on the Far West Rand.

This company suffered a serious setback in October, 1968, when its underground workings were flooded as a result of the water inrush in the No. 4 Shaft area of the West Driefontein mine from which development was being carried out. Up to October, 1968, West Driefontein had accomplished, on East Driefontein's behalf, 21,200 feet of development within the East Driefontein lease area. Reef intersections obtained were encouraging.

East Driefontein's own North Shaft, which is situated near No. 4 Shaft West Driefontein, was not affected and, notwithstanding the flooding of the other workings, it was decided to proceed with the shaft-sinking programme and with surface installations. A major pump station with a capacity of 30 million gallons per day is being constructed at the North Shaft and pumping is expected to commence in January, 1970. These facilities will play an important part in the joint dewatering programme being undertaken with West Driefontein.

Total expenditure to 30th June, 1969, amounted to £7.6 million, leaving a cash balance of £10.8 million from the funds raised in June, 1968. It is estimated that because of the delay caused by the West Driefontein flooding it will be necessary to increase the overall capital funds required to be raised by East Driefontein by about 15 per cent.

West Witwatersrand Areas Limited

The Group's 42 per cent. holding in this important company continues to be one of its largest single direct interests in South Africa. This company has substantial investments in the gold mines on the West Wits line and a major stake in the exploration work in the Deelkraal and Boskop areas. Profit after tax at £2.9 million was £2.2 million lower than that for the previous year when there was an exceptional surplus on realisation of investments. Total dividends paid amounted to £2.8 million representing an unchanged rate on the capital as increased by last year's rights issue.

At 30th June, 1969, the market value of the quoted investments was £84.7 million compared with £100 million last year. The fall reflects the general decline in gold mining share prices.

During the year the company acquired a 25 per cent. interest in Zwartkloof Fluorspar Limited, a company formed to exploit fluorspar deposits in the Warmbaths district, Transvaal.

COAL

Apex Mines, Limited, in which the Group's beneficial interest is 36 per cent., operates the Greenside Colliery in the Eastern Transvaal. Working profit was £231,000 compared with £155,000 for the previous year due to increased sales of steam coal and of blend coking coal to Highveld Steel and Vanadium Corporation Limited.

INDUSTRIAL

The industrial activities of the Group in South Africa include the manufacture of rock handling equipment, filtration plant, locomotives, diamond drill crowns and moulded rubber components. Due to the inclusion of profits from new subsidiaries acquired during the year and the profit arising from the sale of certain investments the consolidated profit of the division was £400,000 before tax compared with £269,000 for the previous year.

PLATINUM

Through its interests in the Waterval and Union Platinum companies, which together have a 59 per cent. interest in Rustenburg Platinum Mines Limited, the Group has a beneficial interest of 21 per cent. in that company. Rustenburg is the largest platinum producer in the free world.

The output of refined metals from Rustenburg again rose steadily during the year and work on the expansion scheme to raise production still further proceeded according to plan. Output is expected to reach a rate of one million ounces of refined platinum per annum during the latter half of 1970 and plans for an increase in productive capacity to 1.2 million ounces per annum have been announced since the end of the year. Demand for the company's platinum remained in excess of supply but the price was maintained at £50 per ounce throughout the year.

Rustenburg's profit before tax for the year ended 31st August, 1969, amounted to £22.5 million and dividends for the year increased by 17 per cent. to £6.9 million. The gross dividend income received by the Group from its investment in platinum for the year to 30th June, 1969, amounted to £1.8 million.

TIN

The Rooiberg Minerals Development Company Limited, in which company the Group now has a 31 per cent. interest, slightly increased its production from 1,130 tons of tin in concentrates in the previous year to 1,194 tons during the year ended 30th June, 1969. Working profit increased from £497,000 to £511,000. The expansion programme designed to raise production from 1,140 to 1,620 tons of tin in concentrates per annum is progressing satisfactorily.

Production by Union Tin Mines declined from 375 tons of tin in concentrates in the previous year to 361 tons during the year under review and working profit fell from £154,000 to £145,000.

VANADIUM AND ZINC

At 30th June, 1969, Vogelstruisbult Gold Mining Areas Limited, in which the Group has a beneficial interest of 47 per cent., acquired investments from Gold Fields of South Africa Limited to expand its interests in the zinc industry in southern Africa. It now owns 35 per cent. of Zinc Corporation of South Africa Limited, 30 per cent. of Kiln Products Limited, and 30.6 per cent. of The South West Africa Company, Limited.

Zinc Corporation commenced the production of sulphuric acid in December, 1968, and of zinc in April, 1969. Investigations into the possibility of increasing the rated capacity of the plant are in hand. Kiln Products Limited completed the construction of its kiln at the Berg Aukas mine of The South West Africa Company, Limited in February, 1969. In the first four months of operations 1,600 short tons of zinc oxide were produced.

In addition to the indirect interest through Vogelstruisbult, the Group has a direct interest of 11 per cent. in The South West Africa Company, Limited, which operates mines producing vanadium and zinc as well as lead, tin and wolfram. Because of greatly increased pumping involved in lowering the water table at the new No. 2 Shaft at its Berg Aukas mine, the mining profit before tax for the year amounted to £146,000 compared with £151,000 achieved in the previous year. In addition, dividend income totalling £215,000, compared with £187,000 in the previous year, was received from its shareholding in Tsumeb Corporation Limited, a large producer of copper and lead together with zinc, silver and cadmium.

OTHER MINERALS

Star Diamonds (Proprietary) Limited, in which the Group has a beneficial interest of 36 per cent. operates a diamond mine in the Orange Free State. Decreased output and increased costs reduced the working profit to £35,000 compared with £99,000 for the previous year.

The wholly-owned subsidiary, Glenover Phosphate Limited, which works a deposit in the Northern Transvaal, made a working profit of £109,000 compared with £79,000 in 1968.

Zwartkloof Fluorspar Limited, in which the Group's direct and indirect beneficial interest is 85 per cent., was registered in October, 1968, and is due to start production of fluorspar in the second half of 1970.

AUSTRALASIA

CONSOLIDATED GOLD FIELDS AUSTRALIA LIMITED

The Group held, at 30th June, 1969, a 76 per cent. beneficial interest in this company, which is responsible for the management of the Group's interests in Australia and New Zealand. The consolidated profit of this company and its subsidiaries amounted to £8.5 million, an increase of 57 per cent. on the previous year. After deducting tax of £2.6 million and minority interests of £1.9 million the net profit was £4.0 million, compared with £2.5 million in the previous year. A further increase in the scale of operations at Mount Goldsworthy, a substantial improvement in the results of Renison Limited and a record profit from The Mount Lyell Mining and Railway Company Limited were the principal factors in these improved profits.

During the year this company raised £5.1 million by a rights issue to shareholders. Of this amount £4.0 million was used to repay an unsecured loan from Gold Fields Mining & Industrial Limited. On 30th June, 1969, Consolidated Gold Fields Australia Limited had a market capitalisation of £97 million making it the twelfth largest quoted company registered in Australia.

COAL

The Bellambi Coal Company Limited, which operates a mine and two coke works near Port Kembla, 50 miles south of Sydney, exports the bulk of its coal production to Japan. Profit before tax amounted to £258,000 compared with £252,000 in the previous year.

During the year further sales contracts were negotiated with the Japanese steel industry. This company will now deliver 6.3 million tons over a period of five years to 1974, with an anticipated extension of the contract covering a further 7.5 million tons to be supplied between 1974-1979. The increased sales commitments represent an f.o.b. value of some £70 million over the 10-year period. In order to meet these a capital expenditure programme, including the development of a second seam and the installation of two additional longwall mining units, is under way. The total cost of this programme over the next four years will amount to approximately £4.5 million and will be financed partly by cash retentions and partly by bank loans.

COPPER

There was an improvement in the grade of ore treated by The Mount Lyell Mining and Railway Company Limited and this resulted in the production of 15,700 tons of recoverable copper in concentrates and direct smelting ore, compared with 13,600 tons in the previous year. This, together with higher copper prices, increased profit before tax from £1.5 million last year to a record of £2.0 million.

Progress was made in the major expansion scheme, estimated to cost £14 million, to increase production of ore from underground sources. The sulphuric acid plant of North-West Acid Pty. Limited, in which Mount Lyell has a 50 per cent. interest, is expected to come into production in the first half of 1970.

To provide a proportion of the funds required for these projects this company made a rights issue of which £3.0 million had been called by 30th June, 1969.

IRON ORE

Goldsworthy Mining Limited again increased its production, and shipments of iron ore totalled 4.62 million tons compared with 4.05 million tons in the previous year. These shipments included substantial spot sales in addition to those made under long-term contracts. Consolidated Gold Fields Australia Limited has a one-third interest in this project and its proportion of the profit before tax amounted to £2.3 million, compared with £1.8 million in the previous year.

Formal offers for sale of additional tonnages of ore under long-term contracts have been made to the Japanese steel mills. These offers envisage that Goldsworthy Mining will achieve an annual production level of eight million tons by 1973.

MINING FINANCE

Less favourable conditions prevailed on share markets over the past year but the results of Commonwealth Mining Investments (Australia) Limited remained very satisfactory. Total surplus before tax was £1.3 million compared with £1.2 million in 1968. The net asset value of this company including the market value of its investments, all of which are quoted, amounted to £10.6 million. These investments cover a wide range of minerals and industries and, in addition to Australian securities, include substantial holdings in North American and South African stocks.

RUTILE AND ZIRCON

Associated Minerals Consolidated Limited remains the world's largest producer of rutile and zircon. At its operations along the eastern coast of Australia 26 million tons of mineral-bearing sands were treated. Production of rutile increased from 88,000 tons to 100,700 tons and that of zircon from 86,800 tons to 91,600 tons. Profit before tax fell slightly to £1.1 million compared with £1.2 million in the previous year, mainly as a result of a much increased depreciation charge. Demand for this company's products continues at a high level.

During the year this company added substantially to its reserves through the acquisition of a 100 per cent. interest in Titanium and Zirconium Industries Pty. Limited on 31st March, 1969. The acquisition contributed marginally to the profits of the year.

TIN

Renison Limited earned a profit before tax of £897,000 compared with a loss of £425,000 in 1968.

The major turn-round owes much to the mining of ores which were more amenable metallurgically than those treated in the previous year. This was one of the principal reasons for an improvement in recovery from 41.4 per cent. last year to 59 per cent. this year. Other factors in the improvement of overall results were an increase in tonnage and grade of ore treated, the installation of additional equipment and better plant operation. The tin content of concentrates produced increased from 1,134 tons to 2,277 tons.

Trials conducted in a pilot plant for the recovery of fine tin by means of a new flotation process have been encouraging.



EXPLORATION

Attention has again been given principally to the search for nickel and other base metal deposits in Western Australia. No significant discoveries have been reported during the year, but drilling programmes as well as geochemical and geophysical surveys are in progress at a number of locations.

INDUSTRIAL

Zip Holdings Limited earned profits before tax amounting to £92,000 compared with £86,000 last year.

After a number of disappointing years the profit before tax of Lawrenson Alumasc Holdings Limited, which is engaged in the die-casting industry, rose to £67,000 compared with £24,000 in the previous year. Consolidated Gold Fields Australia has taken over the Group's controlling interest in this company.

CANADA

NEWCONEX HOLDINGS LIMITED

This company, in which a 59 per cent. interest is held, continues to expand the Group's interests in Canadian mining and industry. Profits before tax from the year's operations amounted to £531,000 compared with £350,000 last year. In addition, capital gains on realisation of investments rose from £174,000 to £311,000.

A major part of the increase in profit resulted from the acquisition of a 90 per cent. interest in Vancouver Equipment Corporation Limited on 1st December, 1968. This company has exclusive franchises for the distribution in British Columbia and, in some instances, the Yukon Territory of several leading makes of heavy equipment used by the mining, forestry and construction industries.

Pacific Truck and Trailer Manufacturing Limited, which manufactures heavy-duty transport for the logging industry in British Columbia as well as for export, had another successful year.

Geophysical work and diamond drilling have been carried out in the Northwest Territories on the claims of Coppermine River Limited in which Newconex has a 20 per cent. interest. No further ore has yet been found but the programme is continuing.

Newconex also has a 46 per cent. interest in the lead-zinc property held by Buffalo River Exploration Limited in the same Territory. Further diamond drilling to delineate the orebody is in progress, preparatory to a feasibility study in regard to bringing the property to production. Work to date has indicated approximately 1.35 million tons of ore with a combined lead and zinc content of 13 per cent.

NEWCONEX CANADIAN EXPLORATION LIMITED

This wholly-owned subsidiary continued its mineral exploration programme during the year. In the Coppermine River area further work was conducted on the Teshierpi and Northville copper prospects.

UNITED STATES OF AMERICA

GOLD FIELDS AMERICAN CORPORATION

Gold Fields American Corporation, which is wholly-owned, acts as the representative in the United States of the parent company. It also holds a majority interest in the New Market Zinc mine in Tennessee, which is managed by the American Zinc Company. Both tonnage and grade of ore milled at New Market increased to give a profit before tax of £52,600.

AMERICAN ZINC COMPANY

The Group has a 60 per cent. interest in this company whose business is the mining, processing and marketing of zinc, zinc by-products and stone.

In spite of labour problems and some continued metallurgical difficulties, sales revenue increased by £1.7 million due primarily to increases in sales of zinc oxide and cadmium. There were two increases of $\frac{1}{2}$ cent per lb. each in the price of zinc late in the year and the average market price of zinc was 13.8 cents per lb. compared with 13.5 cents in the previous year. Nevertheless, a loss of £780,000 was incurred, compared with a loss of £590,000 last year, largely due to increases of £1.5 million in production and selling costs and £380,000 in depreciation and interest charges. The higher production costs resulted from increased wage rates and higher prices for purchased ores, materials and services. Operations in the last quarter of the financial year, however, showed a return to modest profitability.

This company continued its policy of closing down marginal mines while raising output from lower cost properties. A new mine at Vinegar Hill in Wisconsin was brought to production and the large new Immel mine showed good results in its first full year of operations. Tonnage milled at the Tennessee mines was a record.

In the manufacturing division, all plants except the East St. Louis electrolytic zinc refinery showed improvements. Production at the East St. Louis plant was hindered by a variety of operating difficulties, but during the last three months of the year performance improved and gives grounds for hope that some of the fundamental problems may have been overcome.

The installation of new equipment under the recent major programme is now complete. This cost £13 million, part of which was financed by bank loans to the company amounting to £8.7 million. The delays in the completion of the programme and serious start-up difficulties have necessitated the provision of further loans from Gold Fields American Corporation, and at the end of the year these totalled £4.2 million, £1.1 million of which has been used by the company to reduce the bank loans to £7.6 million.

The stone division of the company showed a small increase in earnings. Substantially higher profits from by-product stone were largely offset by a poor year at the quarries, due to adverse weather conditions during the winter and spring.

BUELL ENGINEERING COMPANY, INC.

This wholly-owned company specialises in the field of air pollution control and designs and fabricates a complete range of high efficiency equipment. Its sales in this competitive industry increased by 26 per cent. and profits showed a marked improvement over the previous year.

UNITED KINGDOM

QUARRIED STONE, SAND AND GRAVEL

Substantial expansion and reorganisation of the Group's activities in this field were achieved during the year. The Company acquired the whole of the issued ordinary capital of Amalgamated Roadstone Corporation in October, 1968. It became the principal operator of the Group's aggregate interests in the United Kingdom following the absorption in June, 1969, of Greenwoods (St. Ives) Limited which had been acquired by Gold Fields in the previous year.

Amalgamated Roadstone, which had merged with Roads Reconstruction Limited prior to its acquisition by the Company, is one of the leaders in the aggregates industry. Its main business is the quarrying, sizing and coating of stone and gravel for use in the roadstone and building industries. It also manufactures, mainly from its own raw materials, concrete products including pipes, paving slabs and ready mixed concrete. A subsidiary company, Comben Longstaff & Company Limited, is engaged in the coastal shipping trade and, in addition to other cargoes, carries the company's stone into south-east England and Europe. Its quarries, sand and gravel pits, coating depots and concrete plants are strategically located throughout England, Wales and Ireland. It did not, however, cover East Anglia and Essex but, as this was the main area of activity for Greenwoods, the acquisition of that company's sand and gravel pits and concrete operations will greatly strengthen Amalgamated Roadstone's overall position.

Amalgamated Roadstone's last complete financial year ended on 31st October, 1968. The profits of one month of that year and of the subsequent eight months to 30th June, 1969, are attributable to the Group and these, with the profits for the year of Greenwoods and its associated companies, amounted to £1.1 million. Because of the change in accounting periods and in year-end adjustments it is difficult to make any precise comparisons, but the total profits before tax of all these companies for the twelve months to 30th June, 1969, are estimated to amount to £1.5 million compared with approximately £2.1 million in the previous twelve months.

The lower overall results of the combined companies are disappointing but they were particularly affected by heavy losses in the Greenwoods section of the quarries where remedial action has now been taken. In addition to this special factor affecting the Group's own quarries, the year was a difficult one for the whole industry. Adverse weather conditions throughout most of the period, reductions in Government spending on roadworks, the effects of credit restrictions on building in the private sector and cut backs in public sector building, have all contributed to difficult trading conditions and a narrowing of profit margins. At the same time some of the reorganisation which it has been necessary to carry out has, in the short term, added to the problems.

The complete integration of the various companies that now make up Amalgamated Roadstone will take time but there are many encouraging trends. A number of the sections that were in difficulty have responded to reorganisation and where local trading conditions are favourable the company's performance is most satisfactory.



INDUSTRIAL

The combined turnover of the United Kingdom industrial subsidiaries was £5.6 million and profits before tax totalled £686,000 compared with £693,000 for the previous year. The major proportion of these results was contributed by Alumasc Limited which manufactures cast and pressed products in aluminium and other non-ferrous metals. Sales increased in comparison with the previous year, mainly on account of a further rise in demand from the brewing industry for casks and other equipment, together with a notable growth in sales of general industrial products. Production capacity is being increased at the company's factory in the United Kingdom and the construction of a foundry and assembly plant in Luxembourg is due for completion early in 1970.

COMMERCIAL

The profits of C. Tennant, Sons and Company Limited and its subsidiaries were significantly higher at £523,000 before tax compared with £394,000 in the previous year. Turnover increased by £15 million to £48 million.

The record profits and turnover were due to the successful operations of Tennant Trading Limited. Earnings from alloys, metals and minerals showed a marked increase and earnings from chemicals were more than maintained. Profits from merchanting activities in overseas markets again reached an exceptionally high level.

The turnover of Tennant Guaranty Limited, whose business is the financing of exports, was higher than in the previous year. Profits were lower largely due to increases in interest rates.

TIN

Exploration continued in the Wheal Jane area, near Truro in Cornwall, throughout the year. Work was concentrated on underground development to give confirmation of earlier surface diamond drilling and to prove continuity of economic mineralisation in the main lode encountered. At the same time metallurgical testwork was continued and an ore treatment process has been developed. A feasibility study was prepared and, as a result, the decision was taken towards the year end to equip a mine for production.

It is estimated that there are some five million tons of ore available, grading better than 1 per cent. tin metal. A capital programme is being implemented to develop and equip the mine to produce initially 150,000 tons of ore per annum, with provision for considerable expansion. Production is expected to commence in the second half of 1971 and it is estimated that the project at that stage will have involved an investment of some £6 million before allowing for Board of Trade grants.

Since the year end planning permission to establish a mine has been granted to Wheal Jane Limited, a wholly-owned subsidiary company. Surface and underground work is in full progress.

EXPLORATION

Wheal Jane has now been established as a developing mine and the Group's exploration activities continued at a number of other sites in the United Kingdom and Ireland.



Principal Subsidiary Companies and Principal Group Interests

in which the equity interest exceeds 10%

Company and Country of Operations	Direct Interests:		Beneficial Interest of Parent in Equity†	Principal Activities
	Parent	Parent and Subsidiaries		
	%	%	%	
South Africa				
Gold Fields of South Africa Ltd.	100	100	100	Finance and management
Anglo-Rand Mining & Finance Corporation Ltd.	—	59	33	} Mining finance
Beatrice Gold Mining Co. Ltd.	—	61	28	
Lydenburg Gold Farms Co. Ltd.	—	50	28	
New Witwatersrand Gold Exploration Co. Ltd.	—	56	56	
West Witwatersrand Areas Ltd.	35	42	42	
Doornfontein Gold Mining Co. Ltd.	12	12	12	} Gold mining
East Driefontein Gold Mining Co. Ltd.	13	19	18	
Kloof Gold Mining Co. Ltd.	8	9	9	
do. Combined Units	23	24	24	
Luipaards Vlei Estate and Gold Mining Co. Ltd.	15	17	17	
Sub Nigel Ltd.	11	13	13	
Vlakfontein Gold Mining Co. Ltd.	11	11	11	
West Driefontein Gold Mining Co. Ltd.	11	13	13	
Union Platinum Mining Co. Ltd.	—	12	12	} Holding companies—platinum
Waterval (Rustenburg) Platinum Mining Co. Ltd.	45	46	46	
Apex Mines Ltd.	—	33	32	Coal mining
do. "A" shares	—	38	36	
Glenover Phosphate Ltd.	—	100	100	Phosphate mining
Rooiberg Minerals Development Co. Ltd.	—	31	29	Tin mining
Selected Mining Holdings Ltd.	—	64	36	} Diamond mining
Star Diamonds (Pty.) Ltd.	—	100	36	
South African Quarry Industries Ltd.*	—	17	13	Lime and gravel
South West Africa Co. Ltd.	2	11	11	Zinc and vanadium mining
Union Tin Mines Ltd.	—	29	10	Tin mining
Vierfontein Colliery Ltd.*	14	14	14	Coal mining
Zwartkloof Fluorspar Ltd.	—	75	65	Fluorspar mining
G.F. Industrial Holdings Co. Ltd.	—	100	100	Holding company
do. Participating Preference Capital	—	100	56	
G.F. Diamond Drilling and Dev. Co. (Pty.) Ltd.	—	100	87	Diamond drill bits
Hunslet Taylor Consolidated (Pty.) Ltd.	—	93	82	Locomotives, mining equipment
Hunslet Taylor-Eimco Sales (Pty.) Ltd.	—	100	82	Marketing and general agency
Rubber and Wheel Industries (Pty.) Ltd.	—	75	66	Moulded rubber components
Taycent Engineering Co. (Pty.) Ltd.	—	100	82	Light engineering
New Durban Gold and Industrials Ltd.	—	84	73	} Property companies
G.F. Industrial Property Co. (Pty.) Ltd.	—	100	73	
Vogelstruisbult Gold Mining Areas Ltd.	7	48	47	Base metal investment
Kiln Products Ltd.	—	31	24	Production of zinc oxides
Zinc Corporation of South Africa Ltd.	—	20	14	Zinc smelting

Note: West Witwatersrand Areas Ltd. and its subsidiaries have substantial holdings in many of the Group's South African interests. Such holdings, which are not reflected in the above figures, include interests of 60% in Boskop Areas (West Wits) Ltd., 33% in Kloof Gold Mining Co. Ltd., 32% in East Driefontein Gold Mining Co. Ltd., 27% in Libanon Gold Mining Co. Ltd., 25% in Zwartkloof Fluorspar Ltd., 21% in Venterspost Gold Mining Co. Ltd., 20% in West Driefontein Gold Mining Co. Ltd. and 19% in Doornfontein Gold Mining Co. Ltd.

Australia

Consolidated Gold Fields Australia Ltd.	—	76	76	Finance and management
Associated Minerals Consolidated Ltd.	—	64	47	Rutile and zircon production
Bellambi Coal Co. Ltd.	—	69	51	Coal mining
Commonwealth Mining Investments (Aust.) Ltd.	—	60	46	Mining finance
Goldsworthy Mining Ltd.*	—	33	25	Iron ore mining
Lake View and Star Ltd.	—	16	12	Gold mining
Mount Lyell Mining and Railway Co. Ltd.	—	56	43	Copper mining and smelting
New Consolidated Gold Fields (A'sia.) Pty. Ltd.	—	100	76	Mining exploration
Renison Ltd.	—	68	36	Tin mining
Western Titanium N.L.*	—	12	6	Ilmenite mining

Canada

Newconex Holdings Ltd.	—	59	59	Finance and management
Newconex Canadian Exploration Ltd.	—	100	100	Mining exploration
Pacific Truck and Trailer Manufacturing Ltd.	—	75	44	Trucks for lumber industry
Pyramid Mining Co. Ltd.*	—	11	7	Mining exploration
Vancouver Equipment Corp. Ltd.	—	100	53	Plant sales

Eire

Concrete Pipes Ltd.	—	100	100	Concrete products
---------------------	---	-----	-----	-------------------

New Zealand

Zip Holdings Ltd.	—	51	39	Domestic hardware
-------------------	---	----	----	-------------------

United Kingdom

Gold Fields Mining & Industrial Ltd.	100	100	100	Holding and finance
Alumasc Ltd.	—	100	100	Aluminium products
Ambuco Ltd.	—	100	100	Dust and fume control plant
Amalgamated Roadstone Corporation Ltd.	100	100	100	Finance and management
A.R.C. (Concrete) Ltd.	—	100	100	Concrete products
A.R.C. (East Midlands) Ltd.	—	100	100	Quarrying, sand and gravel, coated stone and concrete
A.R.C. (London) Ltd.	—	100	100	
A.R.C. (Northern) Ltd.	—	100	100	
A.R.C. (South Eastern) Ltd.	—	100	100	
A.R.C. (Southern) Ltd.	—	100	100	
A.R.C. (South Western) Ltd.	—	100	100	
A.R.C. (Western) Ltd.	—	100	100	
Abelson & Co. (Engineers) Ltd.	—	100	100	Plant hire
Arcontrol (Electro-Panels) Ltd.	—	100	100	Electric control equipment
Comben Longstaff & Co. Ltd.	—	100	100	Shipping
Greenwoods Transport Ltd.	—	100	100	General haulage
Roads Reconstruction (Contracting) Ltd.	—	100	100	Road surfacing
St. Ives Sand & Gravel Co. Ltd.	—	100	100	Sand and gravel
Ulster Limestone Corporation Ltd.	—	60	60	Quarrying
British-Borneo Petroleum Syndicate Ltd.*	—	16	16	Holding and finance
Mining and Metallurgical Agency Ltd.	—	50	50	Marketing and general agency
C. Tennant, Sons & Co. Ltd.	100	100	100	Holding and finance
Tennant Guaranty Ltd.	—	100	100	Export finance
Tennant Trading Ltd.	—	100	100	Trading and general agency
Tennant, Budd and Roderic Pratt Ltd.	—	57	57	Insurance
Wheal Jane Ltd.	100	100	100	Tin mining

U.S.A.

Gold Fields American Corporation	—	100	100	Management
American Zinc Co.	51	60	60	Zinc mining and smelting
American Limestone Co.	—	100	60	Stone and concrete
Buell Engineering Co. Inc.	—	100	100	Dust and fume control plant

Notes: 1 † The beneficial interests in equity shown above reflect holdings by the parent and subsidiary companies only and the proportion of profits attributable to the shareholders of Consolidated Gold Fields Limited in the Group Accounts. In addition, the Group has indirect interests in a number of cases through non-subsidiary companies.

2 * All the companies in the schedule are administered by the Group except those marked with an asterisk.

3 The country of incorporation is as indicated by the heading except in the case of Luipaards Vlei Estate and Gold Mining Co. Ltd., South West Africa Co. Ltd. and Lake View and Star Ltd., all of which are incorporated in the United Kingdom and Beatrice Gold Mining Co. Ltd., which is incorporated in Rhodesia.

Other Group Interests

in which less than 10% of equity capital is held but where the Stock Exchange value of the holding at 30th June, 1969, was in excess of £250,000

COMPANY	PRINCIPAL ACTIVITIES
Australia	
Broken Hill Proprietary Co. Ltd.	Iron and steel
I.C.I. of Australia & New Zealand Ltd.	Chemicals
Mount Isa Mines Ltd.	Copper, lead, zinc and silver mining
New Broken Hill Consolidated Ltd.	Lead, zinc and silver mining
Peko-Wallsend Ltd.	Mining finance
Western Mining Corporation Ltd.	Gold and nickel mining
Canada	
Alcan Aluminium Ltd.	Holding company
Dome Petroleum Ltd.	Oil
Falconbridge Nickel Mines Ltd.	} Nickel mining
International Nickel Company of Canada Ltd.	
McIntyre Porcupine Mines Ltd.	Mining finance
Pine Point Mines Ltd.	Lead and zinc mining
Placer Development Ltd.	Exploration and development
Rio Algom Mines Ltd.	Uranium mining
Trans-Canada Pipe Lines Ltd.	Gas pipelines
South Africa	
African Explosives & Chemical Industries Ltd.	Explosives and chemicals
Buffelsfontein Gold Mining Co. Ltd.	Gold mining
Central Acceptances Ltd.	Banking
De Beers Consolidated Mines Ltd.	Diamond mining
Elsburg Gold Mining Co. Ltd.	} Gold mining
Kinross Mines Ltd.	
Rennies Consolidated Holdings (Pty.) Ltd.	Forwarding agents
St. Helena Gold Mines Ltd.	} Gold mining
Western Deep Levels Ltd.	
Western Holdings Ltd.	
Western Reefs Exploration and Development Co. Ltd.	
Winkelhaak Mines Ltd.	
U.K.	
Beralt Tin and Wolfram Ltd.	Tin and wolfram mining
Burmah Oil Co. Ltd.	Oil
Charter Consolidated Ltd.	Mining finance
Johnson, Matthey & Co. Ltd.	Precious metals
Monotype Corporation Ltd.	Type-casting equipment
Rio Tinto-Zinc Corporation Ltd.	Mining finance
Royal Dutch Petroleum Co.	} Oil
"Shell" Transport and Trading Co. Ltd.	
Ultramar Co. Ltd.	
U.S.A.	
American Metal Climax Inc.	Molybdenum and copper mining
American Smelting and Refining Co.	Copper mining, smelting and refining
Cyprus Mines Corporation	Mining
Felmont Oil Corporation	Oil
Kawecki Berylco Industries Inc.	Chemicals
National Lead Co.	Paint and lead products
Texas Gulf Sulphur Co.	Sulphur, silver, zinc and copper mining
Union Oil Co. of California	Oil
Utah Construction & Mining Co.	Mining

Analysis of Group Turnover and Profits

	1969		1968	
	Total Turnover	Profit	Total Turnover	Profit
	£'000	£'000	£'000	£'000
Dividends and Interest on Investments in Non-Subsidiary Companies	8,125	8,125	7,778	7,778
Realisation of Investments	25,056	8,007	15,689	4,701
Industrial and Commercial Subsidiary Companies—				
Sales of manufactured goods	27,925	2,057	21,995	1,689
Agency, financing and confirming sales	41,044	440	30,351	373
Mining and Quarrying Subsidiary Companies—				
Sales of products and services	80,170	8,384	55,343	4,449
Administration and Technical Fees received, Commission and Sundry Revenue	4,646	4,646	3,671	3,671
	—	—	—	—
TURNOVER, AND PROFIT				
before Expenses, Loan Interest and Taxation	186,966	31,659	134,827	22,661
Less: Administration, Technical and General Expenses		5,083		4,301
Interest payable on Debentures and Loans		3,232		2,012
		8,315		6,313
TURNOVER, AND PROFIT BEFORE TAXATION	<u>186,966</u>	<u>23,344</u>	<u>134,827</u>	<u>16,348</u>

Associated Companies

The following information regarding certain substantial non-subsidiary interests of the Group is given in compliance with the requirements of the London Stock Exchange:—

	SHARES PAR VALUE	ISSUED	LOAN CAPITAL	TOTAL RESERVES
West Witwatersrand Areas Ltd.	R0.25	10,717,898	£4,584,972	£24,051,736
Waterval (Rustenburg) Platinum Mining Co. Ltd	R0.05	37,125,000	—	£1,380,149

Directors' Interests

(including family interests)

Consolidated Gold Fields Ltd.:

	at 30th June, 1969			at 1st July, 1968	
	Ordinary 5s. shares	2nd Pref. £1 shares	7½% Loan Stock (1)	Ordinary 5s. shares	2nd Pref. £1 shares
J. D. McCall	563	—	—	313	450
R. A. Hope	100	—	—	(2) 100	—
G. J. Mortimer	527	—	—	527	—
M. E. Rich	941	—	—	941	—
Major-General J. H. S. Bowring	1,100	—	—	(2) 1,100	—
W. J. Busschau	810	—	—	810	—
Viscount Caldecote	200	—	—	(3) —	—
J. B. Davis	500	—	—	(2) 500	—
Sir Charles Denman	1,820	—	—	1,820	—
Lord Erroll of Hale	436	—	—	436	—
Sir George Harvie-Watt	640	—	—	640	—
A. Louw	470	—	—	470	—
H. A. Mackay	100	—	—	—	—
M. MacLachlan	—	500	—	—	500
J. B. Massy-Greene	527	—	—	527	—
W. Mason Smith	400	—	—	400	—
Sir Richard Snedden	640	—	£500	640	500
J. R. A. M. Storar	300	—	—	(2) 300	—
R. L. Whiting	100	—	—	(2) —	—
A. R. O. Williams	640	—	£500	640	500
R. A. Young	500	—	—	500	—

Subsidiary Companies:

	at 30th June, 1969		at 1st July, 1968
W J. Busschau			
Anglo-Rand Mining & Finance Corp. Ltd.			
Shares of R 0.34 each	2,000		2,000
J. B. Davis			
The Bellambi Coal Co. Ltd.			
Shares of Aus. \$0.50 each	1,000	(2)	1,000
J. B. Massy-Greene			
Consolidated Gold Fields Australia Ltd.			
Shares of Aus. \$1 each	8,200		8,200
W. Mason Smith			
American Zinc Company			
Shares of U.S. \$1 each	100		100
R. A. Young			
American Zinc Company			
Shares of U.S. \$1 each	16,803		10,945
Wisconsin Zinc Company			
Shares of U.S. \$1 each	1		1

NOTES:

- (1) The 7½% Unsecured Loan Stock 1999/2004 was created, with effect from 31st December, 1968, under a Scheme of Arrangement relating to Preference Shares the terms of which entitled holders of First and Second Preference Shares to exchange their holdings for Loan Stock in the ratio of £100 Loan Stock for 100 shares.
- (2) The figures shown under 1st July, 1968, are at date of appointment on 1st March, 1969.
- (3) The position shown under 1st July, 1968, is at date of appointment on 22nd May, 1969.

All the interests shown above are beneficial interests except that relating to Sir Charles Denman who is beneficially interested in only 436 Ordinary shares in Consolidated Gold Fields Ltd. Except as indicated above, the Directors have no interest in the First or Second Preference shares of the Company, the 6½%, 7½% or 8½% Unsecured Loan Stocks, or in the shares or debentures of any subsidiary company.

Exports

During the year under review goods to the value of £18 million were exported from the United Kingdom by Group companies. This figure relates to only a small part of the Group's business, the major part of which is concerned with operations overseas. As a result of orders placed in the United Kingdom by overseas companies in the Group, goods to the value of £3 million were exported in addition to those referred to above.

Employees

The average number of persons employed by Group companies in the United Kingdom was 7,204 and their aggregate remuneration for the year ended 30th June, 1969, amounted to £8.6 million.

Most of the Group's activities are conducted outside the United Kingdom and, in addition to the foregoing, there were at the year end some 78,300 persons employed by overseas offices and subsidiaries and by associated companies administered by the Group.

Subscriptions and Donations

During the year a total of £3,049 was given for charitable purposes by Group companies in the United Kingdom, of which a considerable part was paid to organisations whose activities were closely connected with the Company's interests.

Analysis of Group Revenue

Group revenue of £31.6 million arose from the following sources:—

	<i>South Africa</i>	<i>Austra- lasia</i>	<i>U.S.A.</i>	<i>Canada</i>	<i>U.K., etc.</i>	<i>Total</i>
	%	%	%	%	%	%
Gold	25	—	—	—	—	25
Copper	—	8	—	—	—	8
Iron ore	—	8	—	—	—	8
Platinum	6	—	—	—	—	6
Rutile and Zircon	—	5	—	—	—	5
Stone	—	—	—	—	5	5
Other metals and minerals	3	9	6	2	3	23
Industrial and commercial	6	3	3	2	6	20
	<u>40%</u>	<u>33%</u>	<u>9%</u>	<u>4%</u>	<u>14%</u>	<u>100%</u>

Profit on realisation of investments accounts for 25.3 per cent. of the Group Revenue of £31.6 million. In the tabulation above this source of income accounts for a substantial proportion of the percentages shown against "Other metals and minerals" and "Industrial and commercial".

Territorial Distribution of Assets

The percentage of Group Assets, which amounted to £318 million, in various areas of the world was as follows:—

South Africa	45%	Australasia	17%
U.S.A.	14%	Canada	4%
U.K. and other areas 20%			

Ten Year Financial Summary

Figures in £'000

	1960	1961	1962	1963
EARNINGS				
Income:				
Investment Income	3,727	4,661	5,085	5,496
Profit on Realisation of Investments . .	1,146	1,176	1,668	1,480
Industrial Companies—net Revenue . .	526	976	437	403
Mining and quarrying—net Revenue . .	390	381	366	752
Fees, Commission and Sundry Revenue .	1,650	2,026	2,192	2,088
	<u>7,439</u>	<u>9,220</u>	<u>9,748</u>	<u>10,219</u>
Expenses:				
Administration	2,051	2,165	2,339	2,503
Interest on Debentures and Loans . .	24	229	379	417
	<u>2,075</u>	<u>2,394</u>	<u>2,718</u>	<u>2,920</u>
PROFIT BEFORE TAXATION	5,364	6,826	7,030	7,299
Taxation	2,124	2,646	2,949	2,619
	<u>3,240</u>	<u>4,180</u>	<u>4,081</u>	<u>4,680</u>
NET PROFIT FOR THE YEAR	3,240	4,180	4,081	4,680
Attributable to outside shareholders . .	52	149	248	459
	<u>3,188</u>	<u>4,031</u>	<u>3,833</u>	<u>4,221</u>
GROUP NET PROFIT	3,188	4,031	3,833	4,221
Allocation of Profit:				
Dividends paid†	1,579	1,729	1,894	2,121
Retained	1,609	2,302	1,939	2,100
	<u>3,188</u>	<u>4,031</u>	<u>3,833</u>	<u>4,221</u>
†Dividends paid to 5th April, 1966, shown net; thereafter gross				
Dividends per 5s. 0d. Ordinary Share	1s. 3d.	1s. 3d.	1s. 3d.	1s. 4½d.
Charged against Investment and Exploration Reserve	1,157	2,329	2,145	716
CAPITAL EMPLOYED				
Net Assets:				
Investments (at book value)*	23,542	25,974	25,113	26,435
Fixed Assets	2,422	2,367	5,007	12,135
Current Assets	9,757	13,164	13,814	19,645
	<u>35,721</u>	<u>41,505</u>	<u>43,934</u>	<u>58,215</u>
Less Current Liabilities and Provisions .	6,671	6,655	6,561	9,342
	<u>29,050</u>	<u>34,850</u>	<u>37,373</u>	<u>48,873</u>
Outside shareholders' interests	302	1,563	2,694	7,008
	<u>28,748</u>	<u>33,287</u>	<u>34,679</u>	<u>41,865</u>
Share Capital, etc.:				
Capital	12,466	13,451	14,528	14,528
Group Reserves	15,910	14,524	14,626	15,393
Loan Capital	372	5,312	5,525	11,944
	<u>28,748</u>	<u>33,287</u>	<u>34,679</u>	<u>41,865</u>
*The Stock Exchange value of quoted investments exceeded their book value included in the above by				
	18,153	16,404	22,221	23,140

CONSOLIDATED GOLD FIELDS LIMITED

AND SUBSIDIARY COMPANIES

1964	1965	1966	1967	1968	1969
5,920	6,400	6,926	6,738	7,778	8,125
5,779	2,068	2,340	2,680	4,701	8,007
5,114	1,406	1,281	1,527	2,062	2,497
5,951	3,111	3,794	2,547	4,449	8,384
5,223	2,455	2,818	2,924	3,671	4,646
12,987	15,440	17,159	16,416	22,661	31,659
5,654	2,955	3,224	3,590	4,301	5,083
744	880	1,330	1,595	2,012	3,232
3,398	3,835	4,554	5,185	6,313	8,315
9,589	11,605	12,605	11,231	16,348	23,344
3,667	4,035	3,674	3,621	5,020	8,678
5,922	7,570	8,931	7,610	11,328	14,666
817	1,303	1,689	1,372	2,295	3,580
5,105	6,267	7,242	6,238	9,033	11,086
5,334	2,704	3,870	4,426	4,952	5,807
5,771	3,563	3,372	1,812	4,081	5,279
5,105	6,267	7,242	6,238	9,033	11,086
1s. 6d.	1s. 7½d.	1s. 4½d.	1s. 4½d.	1s. 5d.	1s. 5½d.
999	1,399	224	528	1,101	5,923
5,291	33,229	38,101	42,085	54,842	65,630
5,043	20,950	28,464	36,264	52,629	74,090
5,995	37,072	41,098	48,076	71,708	81,330
5,329	91,251	107,663	126,425	179,179	221,050
5,650	25,805	30,962	33,480	45,662	62,451
51,679	65,446	76,701	92,945	133,517	158,599
7,555	10,557	12,314	17,714	25,188	29,690
44,124	54,889	64,387	75,231	108,329	128,909
5,000	16,500	16,500	17,625	20,221	20,554
5,905	21,264	24,411	31,025	51,993	53,957
5,219	17,125	23,476	26,581	36,115	54,398
44,124	54,889	64,387	75,231	108,329	128,909
34,057	46,963	58,057	60,494	150,382	111,936

Financial Calendar

Ordinary Shares

Interim Dividend

Announced
Paid

20th March, 1969
24th May, 1969

Final Dividend

Announced
Payable

7th October, 1969
28th November, 1969
to shareholders registered
on 31st October, 1969

Preference Shares

7% First Cumulative

Dividends payable

1st January and 1st July

7% Second Cumulative

Dividends payable

1st April and 1st October

Unsecured Loan Stock

6½% 1987/92

7¾% 1999/2004

8¼% 1988/93

Interest payable

31st March and
30th September

Half year Results

Announced

20th March, 1969

Full year Results

Announced

7th October, 1969

Report and Accounts

Issued

24th October, 1969

Annual General Meeting

At the Chartered Insurance
Institute, 20 Aldermanbury,
London, E.C.2, at 11.30 a.m.

18th November, 1969

Chairman's Statement

To be circulated

21st November, 1969

Capital Gains Tax

The prices of the Company's shares on 6th April, 1965, for the purpose of the capital gains tax provisions of the Finance Act, 1965, were as follows:—

Ordinary Shares of £1 each

(sub-divided into four shares of 5s. 0d. each on 1st January, 1968)

95s. 3¼d.

7% First Cumulative Preference Shares

18s. 9d.

7% Second Cumulative Preference Shares

18s. 9d.

TO SHAREHOLDERS AND LOAN STOCKHOLDERS

Please advise the Registrar, Lloyds Bank Ltd., Registrar's Department, The Causeway, Goring-by-Sea, Worthing, Sussex, or the Johannesburg Registrar, 75 Fox Street, Johannesburg, of any change in your address.

AR45



CHAIRMAN'S REVIEW

1969

SL

Consolidated Gold Fields Limited

REVIEW BY THE CHAIRMAN,
MR. J. D. McCALL

AT THE ANNUAL GENERAL MEETING OF THE COMPANY
ON 18TH NOVEMBER, 1969

I must first refer to the very sad death on the 11th January this year of our friend and colleague, Mr. Gilbert Potier. Mr. Potier joined Gold Fields in 1958, and following his appointment as Deputy Chairman in 1960, he became closely concerned with the expansion and development of our interests since that time. His knowledge and experience will be greatly missed throughout the Group.

And now on behalf of all our shareholders may I welcome, as newcomers to the Board, Major-General Bowring, Viscount Caldecote, Mr. J. B. Davis, Mr. R. A. Hope, Mr. J. R. A. M. Storar and Mr. R. L. Whiting. Major-General Bowring was formerly Engineer-in-Chief of the Army ; Lord Caldecote is an engineer of wide experience in many fields of heavy industry ; Mr. Storar brings with him a close knowledge of investment and financial matters in the City of London ; Mr. Hope was a Director of Gold Fields of South Africa and Chairman of a number of Group mining companies in that country. Mr. Davis and Mr. Whiting were Financial Managers on our staff here in London.

During the year Mr. Hope, Mr. Rich and Mr. Mortimer were appointed Deputy Chairmen. Mr. Rich, who was appointed a Director in 1960, has wide experience of financial and industrial matters, and Mr. Mortimer, who joined the Board in 1963, is a mining engineer who worked on the South African mines of the Group before joining the London office in 1955.

I would now like to pay tribute to my predecessor, Sir George Harvie-Watt, who retired as Chairman of the Board on the 30th September. Sir George joined the Company in 1944, became Deputy Chairman in 1954 and was appointed Chairman in December 1960. Since that time under his outstanding leadership your Company has become truly international and the world-wide expansion of our interests over the past decade has been largely due to his foresight and direction. Sir George, who is at present in Australia, has agreed to continue to serve as a Director of the Company, subject to your approval. I am sure you would wish to join my colleagues and myself in recording the Company's very great appreciation of his services.

SOUTH AFRICAN INTERESTS

In reviewing the year's activities, it is encouraging that in South Africa, despite the set-back caused by the inrush of water at West Driefontein in October 1968, our investments once again made an increased contribution to Group revenue amounting to £12·5 million compared with £11·7 million in the previous year. The greater proportion of this was in the form of dividends, and very little arose from share dealing profits.

The saving of West Driefontein from the very serious threat with which it was faced has already secured a place in mining history. It was a tremendous achievement, and the greatest credit is due to all concerned. Good progress has been made in bringing the mine back to full production. The eastern section, from which 15 per cent. of the mill tonnage was formerly obtained, is still flooded, but the western section has been recovered and output is now almost equal to that previously achieved by the whole mine. The technical and administrative arrangements for dewatering the eastern part of the mine are well advanced, and the rate of pumping from this area is being progressively increased.

Underground operations at East Driefontein, with the exception of shaft sinking, were also interrupted by the flooding. That company's North Shaft, which is on West Driefontein's property, is now well advanced, and a large underground pumping station is being installed. This will assist in the task of dewatering the interconnected underground workings of the two mines. It is hoped that production will commence at East Driefontein towards the end of 1971, only six months later than originally planned.

The shaft system at the Kloof mine was completed in March of this year and thereafter the milling rate was rapidly increased to 160,000 tons in September. The full capacity of 180,000 tons per month is expected to be achieved shortly. It is hoped that a maiden dividend will be declared by Kloof in June 1970.

For the most part, our mines in South Africa were planned during a period of fixed gold prices when the world monetary system was able to add significantly to its gold reserves each year. This situation has now changed, and due to inadequate supplies, monetary authorities have adopted additional forms of reserve assets, including the recently created Special Drawing Rights. While these are officially "gold guaranteed", it is nonetheless my belief that in many quarters there is still greater confidence in the metal itself.

Moreover, in the industrial world the demand for newly-won gold is rapidly increasing and it is thought that industrial and decorative uses are consuming more than the entire output of the free world. Gold from speculative holdings is now needed to supplement current production in meeting the requirements of the free market, but this source cannot last indefinitely and we believe that the output from our mines will be in increasing demand in the years ahead.

The Group is well placed to take advantage of the rapid growth in the industrial use of both gold and platinum. The demand for platinum continues to exceed supply, and the Rustenburg Platinum Company in which we have a substantial indirect interest, has recently announced yet another expansion programme. In addition, our direct investment in Johnson Matthey gives us a stake in the processing of the widest range of precious metals.

These are used for their unique properties, which are of particular importance in fast-growing areas of the electronics, chemical and telecommunications industries. The consumption of platinum in fibreglass manufacture, for example, and of gold in printed circuits, makes these metals essential to items of everyday equipment for which the future market potential may be very large indeed.

Whilst gold and platinum are, of course, our principal interests in South Africa, our investments in other minerals in that country are steadily growing.

The Zinc Corporation of South Africa, which is managed by the Group, came into production early in 1969 and has already announced an expansion scheme. This will be designed to increase capacity so that the company will be able to supply the whole of the requirements of the South African home market. We have added substantially to the Group's holding in Rooiberg Minerals, one of our tin producers in the Transvaal, which is also expanding its output. The opening up of the Zwartkloof fluorspar mine is on schedule, and this company is due to reach production next year.

With the steady progress being made at East Driefontein in recovering from the set-back caused by the flooding, the attainment of full production at Kloof, the encouraging drilling results in the Deelkraal area to which reference is made in the Directors' Report, and the more speculative but nevertheless interesting prospect in the Boskop area, the Group can continue to look forward to interesting developments on the West Wits Line. With the important holding in the Rustenburg platinum mine, and other interests which, although individually small, together represent a substantial investment, I am satisfied that we can look upon our South African investments with confidence in the years ahead.

PROGRESS IN AUSTRALIA

The Group's interests in Australia had a very good year, and at £10.6 million contributed approximately one-third of our total Group revenue.

At Mount Goldsworthy iron ore shipments are now running at a rate of some 5 million tons per annum, and subject to the conclusion of satisfactory sales contracts with the Japanese steel mills, it is proposed to increase this rate to 6 million tons next year and to 8 million tons per annum in 1973. This expansion will involve opening up new mining areas and extending the existing railway.

Mount Lyell achieved record operating profits as a result of increased copper production and favourable metal prices, and good progress was made with the expansion programme. This is designed to increase output by approximately 66 per cent. and should be completed in 1973 at a cost of some £14 million.

At the Renison tin mine, the marked turn-round from a loss of £425,000 to a profit of £897,000 was achieved through a combination of better metallurgical results, and an increase in both tonnage and grade of the ore treated. While the metallurgical problems of this company are not yet fully resolved, the improvements are continuing into the current year, and great credit is due to the management in bringing about this very substantial change in profitability.

The demand for Associated Minerals' products remained buoyant and the market for rutile in particular is strong. The company's rutile sales increased by 12 per cent. in volume, while those of zircon rose by 25 per cent. The outlook for this company is satisfactory and the acquisition last spring of Titanium and Zirconium Industries has added considerably to its ore reserves.

Against the background of growing demand for titanium metal and titanium pigments, Consolidated Gold Fields Australia made an offer last month for the entire equity of Western Titanium, a company in which the Group already held an 18 per cent. interest. Western Titanium is the largest producer of ilmenite in Australia and has extensive reserves. When the offer was made, it put a value of approximately £18 million on the company, which will be mainly satisfied by the issue of Consolidated Gold Fields Australia shares. I am glad to say that this bid was well received by the public and I have learned this morning that the offer has been declared unconditional. Although it will not close for some little while, the Group has now obtained, with its original holding, approximately 52 per cent. of the equity of Western Titanium. This new acquisition will result in our already significant position in titanium raw materials being greatly strengthened.

The demand for Australian iron ore by the Japanese steel industry has been accompanied by a marked increase in the demand for coking coal. During the year the Bellambi coal mine, which has very large reserves, negotiated a new contract with the Japanese steel mills which may lead to the delivery of coal over a period of up to ten years having a value of £70 million.

Commonwealth Mining Investments, notwithstanding a world-wide recession in share markets towards the end of the year, maintained its position with a profit before tax of £1.3 million.

The mining scene in Australia has changed dramatically during the last decade. As is well known, the great upsurge in oil and mineral production has had the effect of increasing the inflow of capital from overseas, and thereby strengthening the country's economy.

This rapid development has created some problems of manpower, and brought with it intensive competition for new prospecting areas. We nonetheless firmly believe that there will be continuing opportunities for the further expansion of our Group in that country.

NORTH AMERICAN ACTIVITIES

The results of our principal interest in the United States, the American Zinc Company, were most disappointing. A loss of £780,000 was incurred, compared with a loss of £590,000 in the previous year. Higher costs of production and selling, due to inflation, together with technical difficulties in the company's electrolytic refinery at East St. Louis were contributory reasons. In addition, there was a marked increase in depreciation and interest charges. Two increases, each of $\frac{1}{2}$ a cent per pound, in the price of zinc were announced towards the end of the year, but it was only in the fourth quarter that the benefit was felt, when American Zinc made a very small profit. Since the end of the year a further increase in the price of zinc of 1 cent per pound has been announced, and I am glad to be able to report that results from the company's East St. Louis refinery over the past four months are considerably better than for the corresponding period last year, although some operational problems still remain to be overcome. These price increases, and the operational improvements, should have a markedly beneficial effect on the results for the current year. However, it remains a matter for concern that even with these increases, the price of zinc has not kept pace with the rate of inflation that has occurred throughout the American economy during the last three years.

Buell Engineering, our American subsidiary in the field of air pollution control, showed a useful increase in sales volume and profitability.

Our Canadian subsidiary, Newconex Holdings, had a satisfactory year and again achieved record profits. The exploration programme carried out during the year did not result in any new mining ventures, but the company strengthened its position in the industrial field by the acquisition of a 90 per cent. interest in the Vancouver Equipment Corporation, a distributor of leading makes of equipment for the mining, forestry, and construction industries in British Columbia.

The profits of our Canadian enterprises and Buell Engineering together, offset the adverse results of American Zinc, and our direct operations in North America thus made a small net contribution to total Group revenue. We do, however, in addition, hold a substantial portfolio of North American mining and industrial shares and during the year opportunities were taken to realise profits on some of these holdings. In total, North America provided £4 million, or 13 per cent., of Group revenue.

EXPANSION IN THE UNITED KINGDOM

In the United Kingdom, the results of our companies in the aggregates industry were in line with the general performance of other similar companies, and although the Group maintained its share of the market, profits were certainly lower than we had anticipated.

Many factors accounted for the setback experienced by the industry, including reductions in Government spending on housing and on road maintenance. But the unusually adverse weather conditions in the Eastern part of England were more significant in their effects on the demand for the products of our companies operating in that area.

The results for the first few months of the current year show an improving trend and are beginning to reflect the benefits of the reorganisation carried out during the past year. Amalgamated Roadstone, which was acquired at the beginning of the year under review, took over Greenwoods (St. Ives) and its associated companies last June, and this further integration should lead to additional economies and more efficient operations.

Looking to the future, Amalgamated Roadstone is well placed for providing stone to the major motorway projects which are now being put in hand in the West of England, and it should benefit from any resumption of road maintenance work on a proper scale. Furthermore, the Government's recent pledges with regard to housing are of considerable importance to this company. In the meantime, we are pressing ahead with our plans for augmenting and improving the production facilities of the Group's quarries, sand pits, and other operations throughout the country.

Among our industrial and commercial companies, Alumasc and Tennants both had a satisfactory year. The profit earned by Alumasc was higher than for some years past due to a greatly increased output. The supply of casks and associated equipment to the brewing industry expanded and accounted for approximately half of the company's production; meanwhile, the manufacture of industrial products, principally in aluminium, is expanding rapidly. The company has decided to extend its

operations into Europe, where the manufacture of certain of its products will shortly commence in Luxembourg. Profits of the Tennant Group were the highest yet achieved and were particularly encouraging in regard to their trading and merchanting business.

An interesting development in our United Kingdom activities was the commencement of operations to bring the Wheal Jane tin mine into production. When milling starts in the second half of 1971, Wheal Jane will not only be the first new major tin mine in Cornwall for more than fifty years, but it will also be one of the largest tin mines ever worked in this country. At the initial stage of production it will supply approximately 7 per cent. of total United Kingdom consumption. The sinking of a new shaft to open up the mine, and the construction of surface buildings, are going ahead and we do not anticipate any difficulty in building up and training the necessary labour force to bring the mine into production on schedule.

Our interests in the United Kingdom are of great importance to us and their contribution last year amounted to 14 per cent. of Group revenue.

GROUP FINANCIAL RESULTS

The operations to which I have referred in the various territories resulted in a Group profit, before tax, of £23.3 million compared with £16.3 million in the previous year.

All revenue items reflected increases, but the record profits achieved on realisation of investments, amounting to £8 million compared with £4.7 million for the previous year, call for special comment. The Group has a large portfolio of shares in international companies concerned with natural resources. We believe that our close involvement in mining operations in various parts of the world, and the investment skills within the Group, justify our continuing to count on this source of revenue. The extent of such profits must naturally be affected by changes in the market climate from time to time, but the spread of our portfolio goes some way to alleviating this factor.

Revenue from mining and quarrying totalled £8.3 million as against £4.4 million in the preceding year. This increase of nearly £4 million was mainly attributable to the better results in Australia at the Renison tin mine, Mount Goldsworthy, and Mount Lyell, and the inclusion for the first time of the profit of our newly acquired Amalgamated Roadstone Corporation.

Group profits, after deducting taxation and minority interests, amounted to £11 million compared with £9 million in the previous year.

Dividends paid by the parent company have increased from £4.9 million to £5.8 million. This is partly attributable to the additional shares issued last year to acquire Amalgamated Roadstone and certain other companies now merged in that group, but also reflects the increase in the proposed final dividend.

The book value of our investments advanced from £55 million to £65.6 million but as a result of the general decline in world markets in the last few months of the financial year, the Stock Exchange value of quoted investments decreased from £197 million in June 1968 to £169 million.

The total assets of the Group, including Stock Exchange values for quoted investments, amounted to £318 million compared with £316 million last year.

The spread of our interests, and the position which we hold in world mining, continue to present us with opportunities for expanding the Group's business and ensuring its strength in the future. In order to maintain this situation we decided last month to raise further equity funds amounting to some £15 million by means of a rights issue, the details of which were sent out in the Circular despatched to shareholders on the 24th October. The issue was subscribed to the extent of over 96 per cent. leaving under 4 per cent. to be taken up by the underwriters. I consider that under present conditions this result was very satisfactory indeed.

Specific items for which the funds are required include the anticipated rights issue by East Driefontein in South Africa next year, the further expansion of our interests in the United Kingdom, and the repayment of bank and other indebtedness mainly incurred in extending our operations in Australia ; moreover, as opportunities arise we shall continue to widen the range of our portfolio investments, which have produced such good results in recent years.

As I have indicated in this review, over the past twelve months we have had our disappointments as well as our good fortune, but in a Group of this size we must be prepared for this.

I believe it is true to say that in the circumstances I have mentioned, together with factors such as the further rise in interest rates, the shortage of credit, and the burden of increased taxation in this country, our record profits reflect the benefits of our diversification.

Our long-term position is one of strength. We are invested in natural resources, directly through operations which we manage in four continents, and indirectly through a widely spread portfolio. The growth of the world's population and higher living standards lead us to believe that our products and skills will continue to be in increasing demand.

TRIBUTE TO STAFF

With the expansion of our interests last year, abroad and in the United Kingdom, and with the many changes which occurred affecting the business environment in which we operate, you will, I am sure, appreciate that our staff has been at full stretch.

I would like on your behalf to express to Management and all our employees, here in the United Kingdom and overseas, our great appreciation of their loyal services.

The Report and Accounts were adopted, the Final Ordinary Dividend was approved, and the resolutions for the re-election of Directors and amendments to the Articles of Association were passed.

